



Queensland Government

Media Release

Department of Employment, Economic Development and Innovation
Office of Fair Trading

www.fairtrading.qld.gov.au

Sport arbitrage is not a safe bet

Gambling with sports arbitrage companies is just not a safe bet, according to Office of Fair Trading executive director Brian Bauer.

Since January last year the Queensland Office of Fair Trading (OFT) and the Australian Competition and Consumer Commission (ACCC) have received more than 650 complaints relating to sports betting companies with losses totalling more than \$4 million.

Sport arbitrage involves gambling on sports-related betting markets. It is promoted on the basis bookmakers will either have a different opinion on event outcomes, or make errors. The companies involved promote that by placing one bet for each outcome with different betting companies it is possible for the client to make a profit. They often charge membership fees of between \$3,000 and \$19,000 to facilitate the gambling.

The high number of complaints received by authorities show that consumers rarely receive any form of profit from their gambling.

Mr Bauer said OFT, along with the ACCC and the Queensland Police Service, had been investigating several sports arbitrage companies, with most based at the Gold Coast. These companies use telemarketers who often use false names to entice clients into parting with their money.

"Fair Trading investigators recently led multi-agency teams comprising Queensland Police and ACCC investigators in door-knocks of almost 40 of these types of companies at the Gold Coast," Mr Bauer said.

"What we found was that many of the addresses that had been given to clients didn't actually exist and the companies are simply using post boxes so they can't be tracked down by consumers.

"We also found that once these companies start receiving complaints from their clients, they often simply close down and start up again somewhere else under a new name.

"A frequent complaint from consumers is that once they hand over the substantial memberships to join they are not able to contact the company again," Mr Bauer said.

Investigators have found that many of these gambling scams are now marketing their systems as "recession proof" and "tax free".

"Many of the companies no longer use the term "sports arbitrage" and now use words like 'investment scheme' and 'risk-free' to appeal to consumers," Mr Bauer said.

"They are simply scams which are designed to take the money of unwitting consumers," he said.

Information on sports arbitrage schemes can be found at
<http://www.fairtrading.qld.gov.au/sports-arbitrage.htm>