

From: [REDACTED]
To: [REDACTED]
Subject: RE: Football Index collapse: please help us get redress (Case Ref: AO7422) [#55FFDE]
Date: 02 September 2021 11:55:00
Attachments: [REDACTED]

Cheers for looking at this.

Kind regards

[REDACTED]
Gambling Commission
Victoria Square House
Victoria Square
Birmingham B2 4BP

[REDACTED]
www.gamblingcommission.gov.uk

From: [REDACTED]
Sent: Thursday, September 2, 2021 10:33 AM
To: [REDACTED]
Subject: RE: Football Index collapse: please help us get redress (Case Ref: AO7422) [#55FFDE]

Hi [REDACTED]

Bullets 1, 2 and 6 are fine – based on my own knowledge/what I have seen

Bullet 3 – I don't recall seeing information in relation to the remaining life of open bets therefore I can't proof this bullet.

Bullets 4 and 5. In relation to 'bets brought from customers through the buy and sell function' I think we have to tread carefully re language used. In lay terms, that is what happened through the Buy/Sell function but in technical/legal/licensing terms customers sold bets back to BetIndex who re-issued a new bet to the customer seeking to buy that bet. That is a point BetIndex made in their response to us dated 22 July 2021. I therefore suggest a couple of minor tweaks, to your draft below as ~~strikethrough~~ and **red text**. As always, feel free to ignore.

Thanks

[REDACTED]
Gambling Commission
Victoria Square House
Birmingham B2 4BP

[REDACTED]

From: [REDACTED]
Sent: Thursday, September 2, 2021 8:53 AM
To: [REDACTED]
Subject: RE: Football Index collapse: please help us get redress (Case Ref: AO7422) [#55FFDE]

Hi [REDACTED], please could I ask for a proof read of the below.

Hi [REDACTED]

Points below:

- The £124m reflects the monies put at risk by customers on the individual bets that were still open at the point of suspension.
- Because these bets now have no value, customers view that they have lost £124m to Betindex.
- At the point of suspension these open bets were a certain number of days into their three year life which means to during the period between executing the bet and suspension customers had the opportunity to enjoy pay-outs, termed as dividends, on the bets they held. Therefore, based on the economical life remaining on the bets, it has been presented to the Commission that the contractual value of the bets left to be enjoyed at the point of suspension was £90m. At the time of suspension 67% of the bets (51m bets - £83.5m) had over two years left to run and 29% (25m bets - £36.3m) of the bets had over one year left to run.
- The portfolio of £124m bets comprised bets bought directly from BetIndex (the first 'mint' of a bet) and bets **that were, in essence, brought from other** customers through the buy and sell function for which Betindex only received 2% commission **(the monies paid by the buying customer were, in essence, received by the selling customer)**. For the bets **that were, in essence, brought from other** customers the bet life was reset to three years. Because of this composition of the bet portfolio BetIndex have not ~~received~~ **retained** £124m for the bets that were open at the point of suspension.
- Betindex have been unable to provide a split of the £124m between the bets that were being first minted and those that were, **in essence**, a buy/sell bet between customers. As such we cannot comment on how much of the £124m was ~~paid to~~ **retained by** BetIndex.
- However, what we do know, based reps from BetIndex, is that since launch customers have made nets deposits of £88.4m into the platform of which £11.7m was still in Betindex bank accounts at the time of suspension. This suggests that £76.7m of customer monies have been expended on running the business (Marketing costs, parent company and group company support costs, gaming duty, payment provider fees, IT costs, professional fees, ect).

Kind regards

[REDACTED]

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From: [REDACTED]
Sent: Tuesday, August 17, 2021 10:16 AM
To: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Subject: RE: Football Index collapse: please help us get redress (Case Ref: AO7422) [#55FFDE]

Hi [REDACTED],

I'm pushing ahead with the QA which we will draw on in media interviews.

In light of the below, what can we say about the total money lost as a result of the FI failure?

Best regards,

[REDACTED]

[REDACTED]
[REDACTED]
GAMBLING COMMISSION
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Think of the environment before printing out this message

From: [REDACTED]
Sent: Monday, July 26, 2021 1:19 PM
To: [REDACTED]
[REDACTED]