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From: [REDACTED]
Sent: Tuesday, August 20, 2019 9:11 PM
To: Legal Notify <legalnotify@gamblingcommission.gov.uk>
Subject: Complaint- Derliction of duty by the Gambling Commission

Dear Sirs,

The UK Gambling Commission has as one of its stated objectives: - **the duty of ensuring that gambling is conducted in a fair and open way.**

I sincerely feel that the Commission has failed in this duty with regard to the betting platform called "**Football Index**" (**FI**) and the way in which this betting operation presents itself to the public. Allow me to advise that I have never had any dealings with FI.

FI, owned by BetIndex Ltd, presents itself in such a manner as to misrepresent the underlying realities of its operations. It deliberately contrives to present itself as an equity investment platform rather than a betting platform. Furthermore this betting platform is largely opaque and is one where the outcomes are manipulated and controlled by FI itself. No means exist to verify the outcomes.

On its own website, its parent company states "**BetIndex Ltd has launched the world's first football stock market, Football INDEX, where traders can buy and sell shares in professional footballers with real money.**"

It goes on to say**The platform operates with all the characteristics of a stock market.**

Last time I checked, I found that there is no such thing as the *football stock market* and there is no way to *buy shares in professional footballers*. FI is scam betting operation masquerading as a stock broker in an equity market.

The nearest analogy I can offer is where a bookie owns all the race horses and makes the book for every race. All the races are at night in the dark when punters can't see what is happening. But it's worse, because there is no clear winning horse and there is no prize money for the winner. The outcomes are determined by the bookie. Furthermore horses can be removed at the bookies discretion. The same bookie can also race new horses at his sole discretion. Incredulous, yes but that is the way that FI operates.

In its adverts and in guest "interviews" on radio, FI contrives to misrepresent bets as being equity investments. This is a sophisticated but insidious misrepresentation designed to draw the gullible into placing bets rather under the impression that they are buying a share in a footballer.

In particular, I refer to the impression created by the content of the promotional efforts made by FI. The content, the wording used and the manner of presentation is a deliberately contrived arrangement to misrepresent a betting system as a investment platform. It is made to appear as a form of equity investment akin to equity investments offered on the London Stock Exchange.

On radio, it is promoted - not as a pre-recorded advert with jingles etc but rather as a guest interview spot featuring

a representative from the Football Index. This is designed to give the content more credibility and disguise the fact that it is blatant advertising.

This representative presents a glowing "report" on the index and emphasises how much certain players have risen in value. This is met with expressions of amazement by Jim White and his co-presenters. It's all comes across as a win-win-win proposition with fabulous capital gains and regular dividends. No mention is made of capital depreciation, negative returns or total loss of investment. No mention that it is all about placing a bet on an opaque system.

The FI representative is made to appear as a market index expert akin to a financial analyst presenting a report on the FTSE 100 index. It is designed to be misleading. It is definitely misleading and should be banned forthwith.

Consider the misleading words used frequently during the broadcasts:-

Portfolio - In reality this is a list of separate **bets** a punter has placed with FI.

Dividend - In reality this is some arbitrary payout based calculated by an undisclosed algorithm

IPO - In reality this is an offer of a new **bet** - not an Initial Public Offering

Share – In reality this is simply a **bet** – not a share of the equity in any asset.

Tracker – In reality an in-house opaque rating system **not an open market that drives a tracking index.**

Trader – In reality a trader is a punter i.e. someone placing a bet

Spread – In reality it is a means for FI to impose a **penalty** on a punter switching bets.

Index – In reality this is a betting platform, not an indicator of a market's performance.

1. **"Shares"** - FI can, at any time, issue an unlimited quantity of so-called "shares". These so-called "shares" are simply a mechanism to take on more bets which dilutes the value of previously issued bets "owned" by other punters.
2. **Managed Market** Under certain *restricted* circumstances a punter may sell his so-called "shares" (bets) back to FI however this facility and the spread (difference between buy & sell price) is entirely at the discretion of FI – effectively a penalty for discontinuing a bet.
3. **Conflict of Interest** - By virtue of 1 & 2 above, there is a conflict of interest because FI is acting as both a broker and as a "business" listed on some imaginary stock market.
4. **Media Dividends**- FI states that it uses its *own proprietary daily monitor* to calculate media scores on which "dividends are calculated. This proprietary system is totally opaque. No details of the logic or algorithms are provided. It suggests that the number of times the players' names are mentioned is the main driver. It gives no indication of the weighting given for each of the media outlets quoted. It mentions Talksport and The Daily Telegraph. The former discusses footballers 24/7 during the season whereas the Telegraph has limited exposure. Are the weightings equal? How are they calculated? No accurate explanation is provided. Furthermore it does not indicate whether the media comment should be positive or negative.
5. **Match Day Dividends Rankings** is another proprietary system for manipulating player ratings. It is entirely opaque.
6. **Media Promotion** – FI does not have regular advertising slots on radio as other betting advertisers do. However Talksport presenters and FI representatives have a regular "discussion" about FI and its features. This discussion is blatantly promotional in nature. There is never any mention of the risks and negatives involved. Talksport presenters actively promote the system with positive endorsement.
7. **Top 200 Players** - FI have sole discretion on who drops out of the top 200. Hence a punter who holds "shares" will lose all his money when a player drops out of the 200. Equally perverse is the discretion that FI has to introduce new players into the top 200. They misleadingly call this an IPO – Initial Player Offering. This is a blatant hijacking of a term commonly used by the London Stock Exchange viz Initial Public

Offering. FI retain the proceeds of all and any of the so-called IPOs.

8. **Limited Life** - All "shares" owned by a punter automatically expire after 3 years and so the punter loses all his so-called "investment".
9. **No gambling warning given** - such as "**When the fun stops, STOP.**"
10. **Misrepresentation** - the wording used and the entire system is designed to hijack the credibility of a licensed stock exchange.

Whatever was the Commission thinking about when it considered BetIndex's licence application?

I feel it essential that the commission takes immediate steps to curtail the insidious operation of BetIndex Ltd trading as Football Index. License Number: 000-043061-R-322161-006"

Yours faithfully,

[REDACTED]