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Oakley bet more than €17,000 over six years, but closed his account in 2014 having made just €804 profit

When **Richard Oakley** asked for details of his Paddy Power account, he found out why the house always wins

**M**y name is Richard Oakley and I am not a gambling addict. I was, however, a “low-staking, standard” gambler, according to Paddy Power.

I started betting online with the country's favourite bookmaker in July 2008 and I stopped last December. It has been 68 days since my last wager. In that time I laid 2,216 bets, staking €17,377.33. This might seem excessive, but it includes bets made with earlier winnings. The amount of cash I transferred into my Paddy Power account was much smaller. On average, I made six bets a week of about €8 each. Unlike many gamblers, I regularly

withdrew some of my winning amounts – as any future loan application process will hopefully confirm.

In short I was a tiny fish in the €80bn sea of international gambling. I carefully maintained a “low-staking” customer profile, but I wasn't so insignificant that I went unnoticed.

According to Paddy Power, I was quite good at betting on athletics and politics, performing well enough in both sectors to

be worth monitoring, and to have a limit imposed on the amount I could wager.

On politics I was given a 60% “stake-limitation factor”. In other words, if the bookmaker were prepared to lose a total of €1,000 on a particular politics bet, I was allowed to stake only an amount that could result in me winning no more than €600. In athletics, the factor was 80%.

Paddy Power, it seemed, had no problem with me losing as much as I liked on other bets, but it wasn't prepared to allow me to win the full amount of cash it was prepared to lose on politics and athletics wagers.

These determinations were made by the company's traders. I know this because I recently applied under data-protection law for the information that the company holds on me. Last week I was given a document containing my gambling record and “customer attribute notes”. It transpired that on two occasions, in July 2009 and May 2014, Paddy Power staff logged onto my file and set new parameters, having identified a modicum of success on my part. “Looks smart on athletics,” one wrote.

For bookmakers to do well, they need customers to lose about 10% of everything they bet, preferably over a long period of time. They do everything they can to ensure this, including enforcing limits on bets. The house always wins. Last Tuesday, Paddy Power announced its preliminary results for 2014. Net revenue was up 18% to €882m, and the firm made a pre-tax profit of €167m. Its customers bet €7bn during 2014, up 16% on the previous year.

Go through the full report and you'll find the 10% figure for which bookmakers are aiming. Having paid out on all winning stakes, Paddy Power was left with 9.9% of all money wagered. Shouldn't this margin convince gamblers to put down the mini biro or close the betting app? For while there is fun to be had, almost every gambler will generally lose 10% of everything they bet. For every €100 deposited into your Paddy Power account, Paddy keeps €10. Thanking you.

“PUNTER'S €1 turns to €200k” screamed a newspaper headline last month. The “lucky” Galway gambler won €206,262 thanks to a 17-fold football accumulator. “Anyone who defies odds of 206,261-1 is due a tip of the hat,” said a representative of Paddy Power, availing of the free publicity to help cover the loss.

The winner in this case was not named, but problem gamblers who end up in court usually are. Last October, a 27-year-old Kildare man was spared a jail term after stealing €100,000 from his employer to feed a “chronic gambling” habit. His name and address were published at the time, but he has a new job and is paying back the money, so we can skip that formality here.

The two cases represent the extremes: the small gambler who beats the odds and strikes it big; and the addict who loses until he reaches an all-time low. Between everyone else is somewhere in between. Paddy Power has 2.4m active online customers. Exclude Australia, and the breakdown is 1.4m in Britain and 405,000 in Ireland and the rest of the world.

Pete Lunn, an economist with the Economic and Social Research Institute, and a specialist in economic decision-making, said more gamblers think they are winning than actually are because they misconceive how much it is costing them. “Research suggests there will always be a minority of gamblers who are up, but some will be up only because they have been lucky and they will eventually lose,” he said. “Similarly there are some losers who in the long term might win, but that pool is likely to be smaller. The proportion of

gamblers who are systematically up is very small.”

Bookmakers promote responsible gambling and have sections on their websites dedicated to messages such as “when the fun stops, stop”. They argue most customers bet within their means, and enjoy the various ups and downs.

“We've always been clear with punters that they are probably not going to beat us,” said Paddy Power, the eponymous spokesman for the company. “We are not selling a dream, we are selling entertainment. It's about getting extra value from an event. Our hope is that if you come into our shop with €100 and you walk out with €90, you'll feel you had €10 worth of entertainment.”

Lunn is not sure it's quite that simple. “With gambling you are buying entertainment or social interaction, and that's fine. The difficulty is there are other things going on, to do with human behaviour. Gamblers systematically misconceive the likelihood of getting something back from their transactions and tend to take excessive risks. It's hard to believe that they are always making a rational judgment when buying this particular form of entertainment.”

It has been proved that when people

## GAMBLERS MISCONCEIVE THE LIKELIHOOD OF GETTING SOMETHING BACK FROM THEIR TRANSACTIONS AND TEND TO TAKE EXCESSIVE RISKS

incur losses, their instinct is to take risks to recoup them, according to Lunn. Humans also tend to be optimistic and exaggerate the chances of winning a particular bet even when given information, such as odds, to the contrary. “Bookies make money because the system is set up to take advantage of human behaviours,” he said.

Colin O'Gara, a consultant psychiatrist and head of addiction services at St John of God Hospital in Dublin, is part of the research team behind the current National Online Gambling Survey (gambling-survey.ie). In his work, he deals with the 1% of adults who are considered severe gambling addicts. He estimates about 5% of people are “at risk” gamblers.

“The idea of gambling being fun is critical to the industry, but it's inherently addictive – and that bit gets missed,” said O'Gara. “All of us have the potential to succumb to an addiction if the cues in our environment are strong enough. With gambling, the cues are very strong.”

He points to the high level of gambling-related advertising, and the fact that betting odds, and stories about supposed betting coups, are routinely reported in the media.

“Problem gamblers often start off with a big win that hooks them in and they start chasing the next one, which may never come,” said O'Gara. “Gamblers talk about form, but they fail to factor in chance. The people I work with started off like everyone

else and followed an extreme trajectory. There is a lot of denial on their part. They will tell you they don't have a problem, even though they may have stolen their children's holy communion money to bet.”

O'Gara believes the gambling industry should be more closely regulated. Both he and Lunn have argued for the introduction of “binding limits”, whereby gamblers would enter into a legal contract with a bookmaker to bet only a certain amount in a given period. They also want online gambling accounts to include details of total stakes, total winnings and total number of bets. These three categories were detailed in the personal file I received from Paddy Power, but were not visible in my online profile which holds only records of recent bets.

Last week the bookmaker said it would generally give this information to customers who specifically requested it, but would now consider making it a feature of online accounts. It claims to have already a system whereby gamblers can declare a limit, one that can be increased only after a 24-hour cooling period.

“We try to be responsible without being draconian,” said Paddy Power. “We have to facilitate people who enjoy a bet without any problem. We offer people the chance to control their betting, and if anyone indicates they are struggling to do this, we point them in the direction of help.”

WHEN the Kenyan runner Florence Kiplagat won the World Cross Country Championships in Jordan on March 28, 2009, she was so surprised that she reportedly fainted. Back in Ireland, I celebrated in wild style on her behalf, having won €1,400.

Various previews of the race had tipped Kiplagat as a potential winner, so when Paddy Power gave her odds of 14-1, I wagered €100. A colleague advised me to take the money and run, but I was having too much fun to close my account.

If you think you might have a gambling problem, there are questions you should ask yourself. Do you bet more than you can afford? Are you able to stop? Do you lie about it? I checked the list recently and answered a firm “no” to them all. I am not a problem gambler, but my total number of bets, 2,216, has shocked me into realising I was a regular one. In general I gambled on the results of rugby matches, first goal-scorer in football matches, athletics and on big events such as the Olympics or a golf major.

To begin with, I really enjoyed gambling. I got a buzz when I won and didn't mind losing. Over time, however, I found I was less excited when a bet came up trumps, and eventually indifferent. By contrast, I went from being mildly disappointed when losing to being rather unimpressed. On a couple of occasions, I found this affected my usually upbeat mood, and that is the key reason I quit. The fun, as the slogan goes, has stopped; so I have to.

I was a reasonably careful gambler and my file shows I am actually ahead. I staked €17,377.33 and won €17,981.57, so I'm in the black by €604. Not bad, but hardly life-changing and not a great return for time spent – outside working hours, boss – thinking about bets.

I will miss the satisfaction of calling something right, and the sight of money appearing on my Paddy Power balance, but I won't miss checking results on my phone on family days or cursing situations in matches over which I have no control. I won't say I'll never bet again, but I don't think I will. So ahead of the Cheltenham Festival, and after six years, it's a goodbye from me to Paddy Power. It's been, well, interesting.

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