

## Gambling cards lure punters, find way around banks

February 24, 2016 [Georgia Wilkins](#)



The amount of money being stored in online gambling accounts is rising.

Australians are using their online gambling accounts like bank accounts – and it's good news for bookmakers.

New data has revealed punters are pouring money into online gambling accounts via new re-loadable debit cards – and much of it is flowing back to bookmakers.

eMerchants, the company setting up the prepaid cards for bookmakers, says the amount of cash being loaded onto the cards had risen from \$15 million in the first half of last financial year to \$90 million in the first half of this year.



The amount of money flowing through online gambling accounts has triggered concern among money laundering regulators. *Photo: Simon O'Dwyer*

And the company's chief financial officer, Bruce Stewart, says 40 per cent of the money is going back to the bookmakers in the form of new bets.

"That means for every \$100 spent, \$40 is coming back to the gaming platform," he told Fairfax Media.

Gambling companies are rushing to set up debit cards for customers as a way of further circumventing the banks.

The cards work like ordinary ATM cards but are linked to gambling accounts rather than bank accounts.

Gaming giant William Hill secured a deal with ASX-listed eMerchants in December. It follows Ladbrokes, Crownbet, Bet365 and Sportsbet striking similar deals.

Sportsbet, the country's biggest online gambling company, said the cards gave customers the option of fast access to winnings.

"It is up to the customer how they withdraw their winnings – whether that is to their Sportsbet cash card or their personal bank account," a spokesperson said.

But financial counsellors say many of the cards come with restrictions on what can and can't be withdrawn.

"For some companies, the player has to turn the money over multiple times before they can withdraw it," Lauren Levin, director of policy and campaigns at Financial Counselling Australia, said.

"If it is the gambler's money in their account, why should they have to bet it if they have a change of heart?"

eMerchants is currently working on a deal with Woolworths and 7-eleven to extend some of their card programs to the retail sector.

This would mean users could top-up their gambling accounts at a self check-out.

The company is also preparing to roll out cards attached to payday loans from Cash Converters.

Ms Levin said a deal with payday lenders risked opening the door to gamblers being offered credit.

"The last thing that gamblers desperate for more funds need is to be offered a payday loan, straight onto their gambling debit card," Ms Levin said.

Mr Stewart said it "wouldn't be appropriate" to offer a card for both loans and gaming.

eMerchants issues prepaid cards under an Australian Financial Services Licence but is not an authorised bank. It relies on a partnership with Cuscal Limited and Heritage Bank to sell the cards.

The amount of money flowing through online gambling accounts has also triggered concern among Australia's money laundering regulators.

The Australian Transaction Reports and Analysis Centre (AUSTRAC) last year launched court proceedings against Tabcorp over [allegedly allowing customer accounts to be used to filter fraudulent credit card funds for organised crime figures](#).

A spokesperson for AUSTRAC declined to comment on the risks posed by the proliferation of gambling accounts and cards.

<http://www.theage.com.au/business/consumer-affairs/gambling-cards-lure-punters-find-way-around-banks-20160222-gn0tx8?skin>