



NEW YORK STATE SENATOR

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## Consumer Alert: AG Warns New Yorkers of Deceptive Online Sports Betting Companies Ahead of Super Bowl

KEVIN THOMAS February 11, 2022

| ISSUE: [CONSUMER ALERT](#), [SPORTS BETTING](#), [MOBILE SPORTS BETTING](#), [SUPER BOWL](#)



New York Attorney General Letitia James today issued a consumer alert urging New Yorkers to be aware of deceptive online sports betting companies this Super Bowl, which will be the first major sports event that New Yorkers can bet on online. Since online sports gambling became legal in New York last month, New Yorkers have been bombarded with misleading ads on social media and streaming sites that claim “risk-free” bets and “\$1,000 welcome offers,” which sound like free money, but often come with strings attached without

consumers' awareness.

Online sports betting platforms allow consumers to place bets through websites or mobile apps for a variety of sporting events. Attorney General James offers the following tips to protect consumers from predatory and misleading sports betting platforms:

**1) Learn what other users are saying about the platform**

Read the consumer reviews on sites like the Better Business Bureau (BBB) and Trust Pilot. The BBB complaints are often detailed and include responses from the platforms.

Avoid reviews from sites that may be connected to the sports betting industry.

**2) Read the fine print on bonuses and other promotion**

Platforms sometimes require users to gamble their own money before accessing the bonus they advertised. One platform advertises enrollment bonuses up to \$1,000, but to actually receive that much, users have to play through \$25,000.

Be aware that not all bets count toward accessing promotions. One platform excludes bets “placed at tournaments ... or at play money areas” from counting toward some promotions, and other platforms have even more conditions.

Risk-free bets may not be what they seem. Some platforms are offering “risk-free bets” of \$1,000 or more (depending on how much a user deposits). But if a user loses their bets, they don't get their money back — instead, it becomes a credit that can only be used to gamble on the platform.

Online gamblers might be penalized for behaving strategically. Many users sign up for gambling platforms because they want to take advantage of a good deal — the advertised

bonus — without spending too much money. It's a common way to shop, and most regular businesses accept the behavior (like a local bakery that leaves out free samples). But at least one gambling platform treats “exploiting bonuses” as an offense. It has a long list of activities it considers suspicious, and if you engage in them, it may prevent users from cashing out account funds and/or withhold any winnings derived from the gambler's use of the bonus.”

### **3) Beware of unexpected restrictions on accessing your account**

Platforms reserve the right to restrict a user's activity without warning — not just for suspicion of illegal conduct, but also for seeming to have an “unfair advantage” or “irregular playing patterns.” Platforms exercise this right. Users have posted complaints online about their accounts being frozen when they're doing well or when they're trying to withdraw winnings.

One example is “hedging strategies.” Online gamblers might see them recommended by someone online. The strategies involve placing bets on opposite sides of the same game. At least one platform treats hedging as a violation of its policies, and it will block users from withdrawing their funds as a penalty.

Users report battling red tape or simply being ignored when they want to withdraw funds from their account — even if the funds are just their original deposit, with no winnings or bonuses involved.

### **Resources**

The ease of online betting may cause consumers to forget that they are gambling with real money and that they can suffer devastating financial losses if gambling becomes problematic. The New York State Office of Addiction Services and Supports recommends setting limits on the amount of time and money one plans to spend gambling and limiting

the use of alcohol or other substances while gambling. If gambling is a problem for you or someone in your life, Attorney General James urges you to seek assistance. Here are some resources that might be able to help:

- **New York Council on Problem Gambling**
- 24-Hour Problem Gambling Helpline
- 1-877-846-7369, TEXT: HOPENY (467369)
- **Gamblers Anonymous**