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THE BLOG**

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# Trust, Transparency & Integrity in Racing, Part 2 – Addressing Corruption in the Sales Ring

*“It is essential that British Racing is run fairly, and in accordance with the rules; that crime and corruption are deterred, prevented or penalised; and that there is a level playing field for all competitors.”*

I have raised a number of concerns about ethics, integrity and corruption in the equine supply chain, in the context of the launch by the BHA of their first annual Integrity Survey. The BHA quite rightly is determined to ensure that the public and participants in racing are confident that British Racing is run fairly and in accordance with the rules, that crime and corruption are deterred, prevented or penalised and that there is a level playing field for all competitors. The intention of the survey is to measure perceptions and the level of confidence around integrity in British Racing and to identify areas for improvement. The data for the survey will form a baseline against which the industry will be challenged to improve every year, and it will help racing identify where the greatest integrity risks to the sport are perceived to lie.

I completely agree with this emphasis because, without trust and confidence in the sport, it is impossible to grow it and increase the numbers of racegoers, punters and owners.

I also flagged up the review that has been launched by the BHA into the buying and selling of horses, and whether the current sales environment could be deterring existing and potential owners from pursuing their involvement in racing. This struck home with a number of readers of the blog, and one comment encapsulated the reaction: ***“My experience of the sales ring is that it is an absolute snake-pit for the uninitiated. Good luck to the BHA trying to clean it up – the system is open to abuse where collusion between consignors and bloodstock agents is widespread, to the detriment of both the end client and the original seller.”***

The reactions to this review have definitely been bipolar. On the one hand the auction houses, agents and a number of senior executives in the industry were complacent in the extreme, with the view being that “our auctions are the fairest and best in the world”, “integrity is our priority”, “we set the best possible standards” and “we’ve received no complaints”. All fine and dandy? At the other end of the scale, not a single owner in my network agrees with those comments and all believe that a tightening up of the sales process is long overdue. So with that in mind, this would be my checklist of areas for the review team to consider.

1. **Re-state and reset standards and expectations.** Make it clear that illegal, fraudulent and corrupt practices will not be tolerated and will lead to exclusion of guilty parties from racing. To do that, a number of dubious practices need to be made explicit and illustrated with straightforward examples of what is acceptable and unacceptable.
1. **Independent scrutiny.** The industry cannot be allowed to monitor and police its own practices. There needs to be a proper framework for assessment of bad / illegal practices, reinforced by a clear set of penalties.
2. **Require transparency on veterinary treatments and actual ownership.** Would you buy a £100,000 car with no service record and no log book, and where your only real insight is a bit of tyre-kicking? From the date of a horse’s birth there should be an equine log book recording every single treatment. This log book should go online one month before the horse is sold so that it can be properly studied. All of the owners of the horse up to and including the date of the sale should be listed so that the prospective purchaser can assess who is actually selling the horse and whether (currently non-disclosed) interested parties are unduly influencing price.
3. **Introduce a Crimestoppers line.** At the moment no-one is prepared to complain, particularly the consignors. Stallion masters and major agents are such dominant players that if they antagonise them they could be put out of business. To say that there are “no complaints” completely ignores the problem. Topically, that has certainly been the case with sexual harassment as well, in the media world and in politics.

4. **Ban luck money.** No buyer, trainer or agent should be able to demand a financial reward from a vendor. It should neither be expected nor requested. Any money exchanged beyond the hammer price at an auction should be formally disclosed to the auction house, and recorded.
5. **Require immediate disclosure of reserve prices.** Anyone who has been to a sale will have seen the bidding charade of “off the wall” bids, which is where the auctioneer reports non-existent bids to get the horse up to the reserve price. If a vendor puts a reserve on the horse, it should come up on the screen the second the horse walks into the ring.
6. **Ban the running up of prices by the vendor / connections.** Bidding in the ring should only be done by genuine prospective purchasers. At the moment vendors are permitted to bid horses up. If the horse is bought back in, the connection between the person who does that and the vendor should be completely clear. There are dark rumours that a number of vendors are bidding up horses to huge levels and then splitting differences between themselves and agents when bought back in. Easy to do if you’re buying for overseas clients. As part of this, the under-bidder should be recorded to see whether they are connected or not.

That’ll do for the moment. I’m going to be extremely interested to see what the review identifies as unacceptable practices, but even more so, what anyone is prepared to do about them. Indeed it raises the critical question of whether the BHA itself has any regulatory power in this area. Who is going to regulate it, and how?

