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# Incompetence or Corruption in Racing – Where Do You Draw the Line on Ethical Practices?

*“In bloodstock transactions, agents and trainers are merely agents, covered by well-established common law principles and precedents. They must act in the best interests of their principals. Alas, that all too often isn’t the case.”*

I always remember a lovely story told by the inimitable cricket correspondent, Henry Blofeld. Apparently on one occasion when he was entering Australia at Sydney Airport, he was stopped at Immigration to answer a number of questions. When asked, "Do you have a criminal record?", his reply was, "My dear old thing, I didn't realise it was compulsory!"

I don't know if I was chuckling quite so much when I read on the *Racing Post* web site this week an almost unbelievable story concerning the Australian trainer, Dean Howard, who was suspended for 18 months after selling a horse without the consent of the owners, and keeping a chunk of the sale proceeds for himself. Apparently he sold the horse, Convincible, to Hong Kong without the owners' knowledge, before informing them of a lower final sale price. He then kept the difference. What I find even more unbelievable is that he only got 18 months!

Maybe it depends on the Australian interpretation of criminality! The serious issue is that a lot of ownership and syndicate problems that can occur are actually a breach of agency law. In most instances the owners are the principals and the bloodstock agents and trainers are merely agents, covered by well-established common law principles and precedents. Agents must act in the best interests of their principals. Alas, that all too often isn't the case. So I decided to think about problems that I have encountered in the last decade or so of owning horses, and have listed ten examples below. They are numbered from 1 to 10. Where would you draw the line in your interpretation of a breach by the agent? I suspect a lot of you will start to have concerns from 1 onwards!! Unfortunately all of these are relatively common examples.

I just don't believe that the racing mind-set is to protect owners properly, while seeking out value for money at every opportunity. Indeed, one of the very top NH owners believes that practices such as those listed below are "illegal taxes on owners".

1. Trainer uses the same vet for all his horses, but the owner is charged at the standard vet rack rate; no reductions and no rebates for annual volumes, regardless of the profit to the vet over the year.
2. Inaccuracies on the trainer's recording of full training fees vs. lower fee out of training, box rest etc.
3. Vet automatically doubles the cost to the owner of buying in proprietary drugs. Adds no value whatsoever.
4. Trainer takes a full box to the races and then charges each owner the mileage rate as though for a single horse. Similarly, charges full costs of a visit to a sale (flights, hotels, meals etc.) to each owner for whom he buys a horse at that sale.
5. Trainer charges for a treatment such as use of a cold-water spa, swimming pool or treadmill, even though the horse has not received the treatment.
6. Syndicate manager has a "free share"; no cost for this but participates in all benefits / prize-money.
7. Horse bought by a syndicate manager from a family member's stud farm. Horse has a chronic wind problem.
8. Syndicate manager, inept on accounts, manages to "lose" £8,000. "Forgets" to register for VAT.
9. Syndicate horse entered into a sale without the approval of the owners. Doesn't meet its reserve. Sold privately the same day by the manager at a lower price to a "contact". That person sells the horse on the next day for twice as much. Zero owner involvement, discussion or opportunity to make a bid.
10. Syndicate manager doubles the purchase price of the horse on syndication, thereby immediately halving the value of the asset purchased by the owners, while making himself 100% profit for doing nothing.

**Y**ou can see why we set up Owners for Owners. We make sure that none of our owners are ripped off. Occasionally mistakes occur, but we're now in the fortunate position where our relationships with trainers and agents are excellent. However, that doesn't mean that everything is perfect, and for example the way vets charge is a persistent niggle, and something which from time to time we've had to challenge.

I've just been invited to take part in an ROA working party, tasked with producing a code of conduct for syndicates. Alas, I'm not going to find it too difficult to come up with real-life examples of incompetence and, I'm afraid on occasion, corruption. It will be interesting to see the appetite for where the line is drawn in the ethical sand. I'm certainly going to be at the robust end of the scale, and would like to see far more transparency and demanding service standards required from the various agents.

