

# The Quick & Simple Guide to Laying

Here is a simple guide to understanding a betting exchange lay bet. In explaining a lay bet it is also important to explain decimal odds so both are covered here.

## So, what is a “lay” bet?

To “lay” an outcome (short for “lay off”) is to take a bet on an event outcome that requires you to pay out on that event at “the stake x the odds” should the outcome that was layed off actually happen. In short, you bet that X will not happen and you pay out money to the person taking that bet with you if X does actually happen.

For example, instead of you deciding that Manchester United are going to **win the game** and for you to “back” that event outcome accordingly, you are deciding to “lay” Manchester United which is to say that you think they are **not going to win the game** and you are inviting other people to bet against you and say that they think Manchester United **will win**. If someone takes the bet (your opponent) at the odds specified (more on that later) and if Manchester United lose or the game is a draw, you win the bet as the “layer” and win the opponent’s stake. If Manchester United wins the game, you lose the bet as the “layer” and you then have to pay the opponent at the agreed odds and they keep their stake in addition.

You might have layed Manchester United at odds of 3. If so and your lay bet loses you have to pay out 2 times the stake. The calculation is:  $(3 - \text{stake } (1) = 2)$  so you pay 2 x the stake out as you lost). As stated above, if you win the bet you simply collect the opponent’s stake as your winnings. There will be a commission to pay on any win by the win recipient (you or your opponent) to the betting exchange that you make the bet on. There is no commission to pay on a losing bet struck.

The person betting against you is offering a stake and you are offering to cover that stake multiplied by the odds stipulated (remember always that the odds set out must always be reduced by 1 to represent the stake) if the person betting against you wins. This is loosely what a bookmaker does. He offers odds and let us say that the odds offered are 2 to 1, which is 3 in decimal odds and you offer a stake and let us say that the stake is £10. If the bet you make wins, the outcome falls in your favour, the bookmaker has to pay you 2 times the £10 stake and return your stake to you. So you start with £10 and you end up with £30.

When you “lay” this event outcome you would be responsible for paying the £20 profit just like the bookmaker does. If the event outcome falls in your favour, then you get to keep the stake from the other person, again, just like the bookmaker does.

So, in simple terms, when you “lay” an outcome you can win the stake only if the outcome you wanted happens. If you “back” an outcome you can win the stake x the odds if the outcome you want happens.

On a betting exchange this is all organised for you and all you need to remember when you “lay” is that the odds you lay at, less the stake you lay with, will be paid out by you in the event that your “lay” bet loses.

To understand laying on a betting exchange, you need to also understand decimal odds.

Decimal odds are a breeze to use but you will need to be comfortable with these odds to get on well with the betting exchange. Once you are used to decimal odds you will wonder how you ever got by with traditional odds frankly. The most important thing to remember about decimal odds is that the odds always include the stake.

For example: if you have “evens” in the decimal format, it is represented by “2”. Odds of “2” mean that a successful wager will return £2 for a £1 stake and the £2 would include the stake **so the profit is £1**. Thus, odds of “3” will return £3 for a £1 stake including the stake and so on. When you see odds of “1.2” or “1.3” etc, these are “odds-on” prices and a stake of “1.2” would return **£1.20p on a £1 stake and would include the stake** so the win profit is the 20p and “1.3” would return **£1.30p on a £1 stake and would include the stake** so the win profit is the 30p.

So you always retain your stake (get your stake back) and win the profit when you “back” an outcome and win the bet and you always acquire the opponents stake (which becomes your profit) when you “lay” an outcome and win the bet. An easy way to think of lay profit is to think **EVENS**. You always win whatever the stake was and nothing more.

To quickly calculate any winnings using the decimal system is very simple indeed. You need only remember to multiply your stake by the odds figure (say 5 for example) and then take off your stake to leave your profit figure ( $£1 \times 5 = £5$ , less £1 stake = £4 profit).

On a betting exchange you need both of the action of “backing” and “laying” to be in place for there to be a bet.

You cannot “back” Manchester United to win on a betting exchange unless somebody else is willing to “lay” Manchester United (effectively to bet that they, Manchester United, will not win). You don’t need to worry about how this actually happens, the mechanics, because the betting exchange market will take care of this for you automatically and the amount of money passing through the betting exchange is, especially on big events, normally huge. All you need to know is that the bet you want to make (be it a “back” bet or “lay” bet) needs to be “matched” for it to be binding on you and matched simply means that someone has taken the other side of the bet. If someone doesn’t take the other side of the bet, the bet does not happen and you may have to ask for different odds to make it happen.

So, just to be clear, what the “lay” bet does is it assumes the risk from the “back” bet. So to bring this to an end, and to use a horse race example, if Tom goes on a betting exchange and wants to “back” Big Bucks to win he will simply set a stake and “back” at the odds available right there and then on the exchange or at other odds that he hopes will get matched and he specifies.

Tom, having had his bet matched, then hopes that Big Bucks will win the race and, accordingly, if he “backed” Big Bucks at odds of 3 and Big Bucks does win the race; Tom will then get his stake back and 2 times his stake in profit. If he “backed” for £10, he will receive £20 profit plus his stake at those odds and he will pay a small commission charge on his winnings to the betting exchange.

If Harry does not think that Big Bucks will win the race, instead of “backing” every other horse which would be madness, he simply “lays” Big Bucks and let us assume that in doing so it is his money which covers Tom’s bet at odds of 3.

Obviously he wouldn't know that it was Tom's money and that doesn't matter anyway as the betting exchange deals with all the details of who is doing what with their very sophisticated computer programmes.

Just for ease, let us assume it is Tom's specific £10 bet that Harry is laying. If Big Bucks does not win the race, Harry wins and he gets to win Tom's £10 but only the £10 and for Harry to win all he needs is for any horse other than Big Bucks to win the race but if Big Bucks wins the race, Harry must pay out at the odds of 3, so he needs to pay out £20 to Tom (which the betting exchange deal with directly from Harry's account) and Tom keeps his original £10 stake.

So, Tom wins, his betting exchange account grows by £20 and Harry's betting exchange account shrinks by £20. Harry wins and his betting exchange account grows by £10 and Tom's betting exchange account shrinks by £10 less, of course, in both cases a deduction from the winner of a little commission.

That's it.