



Department
for Business
Innovation & Skills



Department
for Culture
Media & Sport

Review of Consumer Protection Measures relating to Online Secondary Ticketing Platforms

Call for Evidence

Launch date: 13 October 2015

Respond by: 20 November 2015

To	Event organisers, primary ticket sellers, the online ticket resale industry, consumer groups, local authority enforcement agencies and consumers as both sellers and purchasers of tickets
Issued	13 October 2015
Enquiries to	ticketing@culture.gov.uk

Provisions in the Consumer Rights Act 2015

During Parliamentary debates of the Consumer Rights Bill in 2014, concerns were expressed about a number of aspects of the resale of tickets for UK events. To address these concerns, the Consumer Rights Act 2015 introduced certain requirements that apply to the sale of tickets via online secondary ticketing platforms.

These ticketing provisions came into force on 27 May 2015 and provide that:

- anyone (business traders or consumer) offering tickets for resale online must provide clear information about face value; seat location and any usage restrictions; and make clear any link with an event organiser or online platform on which the ticket is being resold;
- vendors are protected from having their tickets cancelled by the organisers purely as a result of the resale (unless this result of re-

selling is clear in the original terms of sale and these terms are not deemed to be unfair);

- in order to combat fraud; secondary ticketing platforms have a new legal obligation to report criminal activity they become aware of in relation to tickets to the police and event organisers.
- Government will conduct a statutory review of the consumer protection measures to be published by 26 May 2016.

These new provisions supplement existing protections in the Consumer Protection from Unfair Trading Regulations 2008 and the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.

The scope of the Review and Call for Evidence

The Department for Business, Innovation and Skills (BIS) and the Department for Culture, Media and Sport (DCMS) are jointly issuing this call for evidence to inform the Independent “Review of Consumer Protection Measures related to Online Secondary Ticketing Platforms” which is fulfilling the obligations set out in Chapter 5, Section 94 (1) of the Consumer Rights Act 2015. The independent Review is being chaired by Professor Michael Waterson and the Terms of Reference are attached.

To that end the independent Review is seeking evidence from the current UK market and elsewhere of the effectiveness of consumer protection measures in the online ticketing marketplace. The Review will also consider how well the consumer is being protected by existing legislation, including the Consumer Rights Act 2015, by voluntary measures, or by the actions of interested parties such as credit card issuers.

The focus of the Review is on tickets for UK sporting, entertainment and cultural events and particularly larger-scale, high-profile, exhibitions, festivals, concerts and major sporting events. It does not include tickets for other services such as travel.

Tickets for events may initially be offered to consumers by the organiser, either directly or via a ticket agency. This is referred to as the “primary” ticket market. Tickets may then find their way for re-sale to the “secondary” ticket market and are re-sold online or through other channels via 3rd parties. The review seeks to gather information on the operation of the secondary ticket market and to understand how the interaction with the primary market affects the availability, pricing and fair trading of valid tickets.

Some key issues for consideration by the Review are:

- **The scope for profiteering and/or fraud through the sale of unavailable or invalid tickets** that may not permit entry to the event. Sometimes consumers buy tickets in the mistaken belief they are purchasing on the primary market from the official ticketing agent. Consumers may not become aware of whether they have a valid ticket (or not) until arrival at the event. This can mean event organisers refusing entry for a problem caused by an unrelated third party.
- **Invalid tickets: online and offline comparison.** Consumers who use major resale sites may invoke a guarantee to seek to obtain a genuine ticket or a refund. Whereas, those customers who purchase an invalid ticket on the street outside the venue will be unlikely ever to see the vendor again and will have lost their opportunity to attend the event as well as losing their money.
- **the use of computer programmes ('botnets')** which, while not reducing the overall number of tickets for sale, automatically purchase a volume of tickets in seconds once they enter the market, potentially depriving members of the public from acquiring tickets for their own use directly.
- **the virtue, validity and reasonableness of primary ticket sale conditions that seek** to prevent ticket resale or transfer.

Background: Parliamentary scrutiny and other relevant reports

The All Party Parliamentary Group (APPG) on Ticket Abuse in its 2014 Report made a number of recommendations for Government, event holders and secondary ticket platforms to consider:

<https://appgticketabuse.files.wordpress.com/2014/04/appgta-final-report.pdf>

The issue of secondary ticketing was also debated during the passage of the Consumer Rights Bill in 2014/15.

Europe Economics prepared a report for the DCMS in 2009 to develop a better understanding of the structure and scale of the UK ticketing industry, with particular reference to secondary ticketing: http://www.europe-economics.com/publications/secondary_sales_market.pdf

The Culture, Media and Sport Select Committee published a report on ticket touting in 2007/08:

<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmcumeds/202/202.pdf> to which the Government responded in April 2008:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228688/7346.pdf

The then Office for Fair Trading (OFT) undertook a study in 2005 that looked at the services provide to consumers by ticket agents:

<http://webarchive.nationalarchives.gov.uk/20140402142426/http://oft.gov.uk/oftwork/publications/publication-categories/reports/consumer-protection/ticket-agents>

The evidence sought

The Review welcomes any relevant evidence that interested parties wish to provide on the context and operation of the secondary ticket market.

Examples of the kind of information that may be useful include:

- Any unpublished information from observational data or other statistical analysis about the sale and resale of tickets for events.
- Examples and experiences from other (non-UK) regulatory models.
- Information on various distribution mechanisms for tickets and what are their associated costs and benefits.
- Observations on how the market is working for consumers as both buyers and sellers, including the impact the new May 2015 rules are having on a range of events of differing scale.
- Personal experiences of consumer protection measures when buying and selling tickets (whether or not successful).
- How well terms and conditions of sale, their enforcement and redress mechanisms are operating (e.g. replacement/returns/refunds)
- Information on the relationship and dynamics between the primary and secondary markets and on how and when tickets come to be available on the secondary market after being launched on the primary market.

Examples of questions the Review seeks to answer are:

- What has been the impact of the Consumer Rights Act 2015 protections: for individual consumers buying from the primary market (the organiser) or the authorised agent; or for those buying via an online secondary ticketing marketplace, or from an unauthorised secondary ticketing facility?

- What is the range of perceived impacts, both positive and negative, for events and event organisers of the secondary market?
- Has there been any apparent change in the demand for and supply of tickets on the primary and secondary markets?
- Are the new 2015 Act rules known and understood, being applied properly by event organisers and ticket sellers, and perceived to be fair?
- What views do consumers express on the effectiveness of existing/new transparency measures in providing clearly understood choices and terms?
- How can prospective purchasers verify tickets as genuine?
- What evidence is there that the transparency requirements of the new 2015 Act are making a difference?
- What are the prices, costs, charges and commissions associated with tickets on the primary and secondary markets?
- How well is the market minimising illegal activity (e.g. by countering illegal botnets, but also by using other methods such as staggered release of tickets, release directly to the secondary market etc.)?

General Information

The questions quoted above are illustrative of the information requested. If you have additional or alternative relevant information or evidence you wish to share with the review, then please do include it.

Normal practice will be for details of representations received in response to this document to be disclosed, and for respondents to be identified. If you identify any evidence which you or any other person involved do not wish to be disclosed, please contact the Review in advance of submission via the e-mail address below.

How to respond

We would welcome any information and evidence you wish to provide by **20 November 2015**. Please use the email address that we have set up for this purpose: ticketing@culture.gov.uk

As an alternative, you may submit written evidence by post to:

Ian Jenkins

Call for Evidence co-ordinator

Department for Culture, Media and Sport (DCMS)

100 Parliament Street
LONDON
SW1A 2BQ

If you are aware of evidence that will not become available until after the closure date, then please contact the review via the above e-mail address.

Next steps

All information will be assessed and shared with the Review Chair and any experts that the Chair invites to participate in the Review. The Review will consider the evidence in relation to the secondary ticketing market for event tickets and publish its conclusions by **26 May 2016**.

Complaints

If you have any comments or complaints about this call for evidence process (as opposed to comments on the issues) please send them to: Complaints Department (Consultations), Department for Culture, Media and Sport, 100 Parliament Street, London SW1A 2BQ



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Review of Consumer Protection Measures in the Ticket Resale Market: Terms of Reference

1. The Department for Business, Innovation and Skills (BIS) and the Department for Culture, Media and Sport (DCMS) have jointly commissioned an independent review of consumer protection in the ticket resale market ('the secondary market') as required by the Consumer Rights Act 2015. Through the review, the Government is seeking an assessment of the protections available to purchasers of tickets for events, identification of issues for consumers and proposals for how such issues might be addressed. The review covers tickets for recreational, sporting and cultural events in the UK.
2. The review will consider consumer protection measures (including legislation, rules of law, codes of practice, industry standards and guidance) that apply to the resale of tickets and, if necessary, make recommendations on ways to improve the position. In particular it will consider:
 - how and how soon (after being launched on the primary market) tickets come to be available on the secondary market
 - existing voluntary and statutory protections (including those introduced by the Consumer Rights Act 2015) available to:
 - those buying from an individual or trader
 - those buying via a provider approved by relevant event organisers (primary or secondary)
 - those buying via an online secondary ticketing marketplace, or from a secondary ticketing facility that is not approved by relevant event organisers
 - whether existing protections are helping consumers, including consumers' experiences of the new transparency measures of the Consumer Rights Act 2015

- event marketing and ticketing strategies in relation to the best interests of consumers
 - the characteristics and status of those selling on the secondary market
 - how protections are currently enforced and how effective this is proving
 - methods by which verification of ticket authenticity can be achieved for prospective purchasers
 - prices, costs and charges on the primary and secondary markets
 - alternative models for promoting consumer protection in the re-sale market
 - terms and conditions of sale and the availability of returns/refunds
 - alternative distribution mechanisms for tickets (e.g. staggered release, release directly to the secondary market etc.)
 - transparency requirements when event organisers sell their tickets on the secondary market
3. The review will report on or before 26 May 2016 - 12 months after the commencement of the provisions on “secondary ticketing” in the Consumer Rights Act. The review will report to both Departments with recommendations for Government and for the primary and secondary market places. The report will be submitted to Parliament (the libraries of both Houses).
4. The review will be led by Professor Michael Waterson, Professor of Economics at the University of Warwick, who has been appointed jointly by the Secretary of State for Business, Innovation and Skills and the Secretary of State for Culture, Media and Sport. To deliver the review’s objectives, Professor Waterson will oversee a public call for evidence and a survey of online customers. He will also have access to advice from external experts in relevant fields and be able to call on appropriate administrative support from Government.

October 2015