

Secondary ticket platforms compliance review

Introduction

1. A well-functioning secondary ticket market benefits fans by helping them to get tickets for events they want to see and by helping them when they can no longer make use of their tickets. However, consumers need certain key information in order to make an informed decision on whether to buy a ticket through a secondary ticket platform.¹ For example, without the original face value of the ticket and details of any restrictions, they will not be clear what they are getting for their money and whether the resale price is one they would be willing to pay (for that particular ticket).
2. In March 2015, the Competition and Markets Authority (CMA) announced that four of the largest UK secondary ticket platforms – GET ME IN!, Seatwave, StubHub and viagogo – provided undertakings in which they agreed to build upon their existing practices and give improved information to buyers about the tickets listed on their sites. During the course of the CMA’s investigation and since the CMA concluded its work, additional legal requirements have also been introduced, some of which relate specifically to the sale of secondary tickets.²
3. The CMA is committed to monitoring the outcomes of its work, and has launched this review to assess whether the four secondary ticket platforms are complying with the undertakings they provided as part of the CMA’s investigation and their legal obligations (further details of which are set out at paragraphs 6-9 below). Some of the more recent legal requirements apply to the areas covered by the CMA’s investigation, and the CMA will therefore also consider these as part of its review. The CMA is asking anyone with relevant information about the four parties and their compliance to send it to us.

¹ Secondary ticket platforms are a means by which individuals or businesses can resell tickets they have bought. This is often at a different price to the face value of the ticket, which is the price for which the ticket was originally purchased and which is usually the price printed on the ticket itself.

² The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 came into force after the CMA commenced its investigation. The Consumer Rights Act 2015 came into force after the CMA concluded its work. Further details of the relevant legislation are set out in paragraphs 6-9.

4. The CMA has not taken any decisions about whether there have been any breaches of consumer protection legislation or what it might do once this review is completed.

The adequacy of information provided to consumers

Undertakings from the four secondary ticket platforms

5. On 5 March 2015 the CMA announced that it had received undertakings from four secondary ticket platforms (GET ME IN!, Seatwave, StubHub and viagogo). This followed a consumer enforcement investigation into the sector initiated by the OFT and continued by the CMA. The four secondary ticket platforms agreed to provide improved information to consumers, including:
 - information on restrictions on entry and view that may apply to the ticket;
 - whether or not multiple seats that are listed together are in fact located together;
 - whether there are any additional charges not included in the listed ticket price;
 - the face value of the ticket, which may be different from the price the ticket is available for through the secondary ticketing platform; and
 - a contact email address for buyers to use if something goes wrong.

Relevant legislation

6. A number of consumer protection laws may be relevant to the activities of secondary ticket platforms. The CMA's investigation was carried out under the Consumer Protection from Unfair Trading Regulations (CPRs). Under the CPRs, businesses must give consumers all the information they need to make informed transactional decisions. After the investigation had begun the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (CCRs) also came into force. Under the CCRs, businesses must give consumers certain specified information before they enter into contracts.
7. The CPRs and CCRs require secondary ticket platforms and business sellers to give consumers important information about themselves (for example their identity and contact details) and the tickets they sell (for example the main

characteristics of the ticket and the price). What information is required under the CPRs and the CCRs depends on the particular circumstances and is assessed by reference to general categories of information.³

8. The Consumer Rights Act 2015 (CRA) came into force on 26 May 2015, after the CMA had concluded its investigation and obtained undertakings from the four secondary ticket platforms. The CRA has now introduced specific information requirements in relation to the sale of secondary tickets. In particular they require sellers (whether businesses or consumers) and secondary ticket platforms to provide certain specified information about tickets (for example face value, seat location and any usage restrictions) to potential buyers. The CRA also imposes a duty on secondary ticket platforms to report criminal activity connected with the sale of tickets through their platform.
9. The CPRs and CCRs apply generally to all businesses. The provisions in the CRA provide additional clarity on the information which sellers and secondary ticket platforms must provide to buyers in the specific context of secondary tickets.

The CMA's and other enforcers' responsibilities

10. The CMA is one of a number of bodies with consumer enforcement powers. The focus of the CMA's consumer protection work is to support competition and choice and to effect market-wide change where we identify systemic issues that might hinder a market from functioning well.
11. Trading Standards Services (TSS)⁴ have lead enforcement responsibility for all consumer protection legislation at national, regional and local levels, which includes powers to enforce the provisions of the CRA which relate to secondary tickets (where they (but not the CMA) have the power to issue fines of up to £5,000 for each breach of the provisions on secondary tickets).
12. Both TSS and the CMA can obtain civil court orders under Part 8 of the Enterprise Act 2002 to stop breaches of the CRA, where there is harm to the collective interests of consumers.

³ For example the "main characteristics" of the product or the "manner in which the price is calculated".

⁴ For the purposes of this paper, TSS comprises: National Trading Standards, Trading Standards Scotland, the Department for the Economy in Northern Ireland and local authority Trading Standards Services in Great Britain.

13. In many cases the Citizens Advice Consumer Service and the National Fraud Intelligence Bureau (via Action Fraud) receive complaints about scams. Some scams may involve breaches of the CPRs, although they are also likely to involve broader criminal offences, such as fraud. TSS and other enforcers (including the CMA) can take action to tackle breaches of the CPRs. The Police have a criminal enforcement role in relation to fraud.
14. Given that different bodies in the consumer landscape have potential roles to play in relation to the secondary tickets sector, there is a need to coordinate activity and the most appropriate way to do this is through the Consumer Protection Partnership (CPP).⁵ The CPP Knowledge Hub has been carrying out compliance monitoring within the ticketing sector, on behalf of and with the support of CPP Partners, and has fed its findings into the Waterson review of the Secondary Ticketing market. National Trading Standards plan to lead CPP work relating to tackling enforcement issues in the secondary ticketing market, during 2016-17.

Recent developments

15. The improvements set out in the undertakings provided by the four secondary ticket platforms were due to be fully implemented by 09 February 2016.
16. The CMA has become aware of information which may indicate potential non-compliance with the CMA's undertakings and/or consumer protection legislation including:
 - information provided directly to the CMA;
 - intelligence reports provided by the CPP Knowledge Hub;
 - Professor Waterson's *Independent Review of Consumer Protection Measures concerning Online Secondary Ticketing Facilities*, which was published on 26 May 2016 [Consumer protection measures applying to ticket resale: Waterson review](#); and

⁵ The CPP brings together key consumer protection organisations to identify and prioritise areas causing the greatest harm to consumers and to agree and coordinate collective action to tackle such detriment. The members of the CPP are: the CMA; National Trading Standards; Trading Standards Scotland; the Department for the Economy in Northern Ireland; the Chartered Trading Standards Institute; the Financial Conduct Authority; the Consumer Council for Northern Ireland; Citizens Advice; Citizens Advice Scotland; and the Advertising Standards Authority.

- Which?'s press notice of 24 May 2016 which suggested that the CRA may have been breached [Which? press notice](#).

Key issues we want to hear about

17. The aim of our review is to consider whether the four secondary ticket platforms – GET ME IN!, Seatwave, StubHub and viagogo – are providing adequate information to consumers, in accordance with their undertakings and their legal obligations. We are particularly interested in hearing about the following issues:
- (a) Whether the four secondary ticket platforms provide information about additional charges (for example booking fees or delivery charges) when consumers select which ticket(s) to purchase.
 - (b) Whether the four secondary ticket platforms only list multiple tickets in a single listing if they are in fact located together in the venue.
 - (c) Whether the four secondary ticket platforms are collecting information from sellers about:
 - (i) the face value of the ticket;
 - (ii) the particular seat or standing area to which the ticket relates (where applicable);
 - (iii) any restrictions on use, entry or view (where applicable); and
 - (iv) whether the seller is connected to the secondary ticket platform or the event organiser.
 - (d) Whether the four secondary ticket platforms provide potential buyers with the information set out above before they place their order.
 - (e) Whether the four secondary ticket platforms provide contact details for buyers to use if something goes wrong (for example an email address) and whether they respond in good time.
 - (f) Whether the four secondary ticket platforms have reported any criminal activity connected with the sale of tickets through their platform to the Police or event organisers.

Other issues

18. Although this review is focused on the practices of the four secondary ticket platforms which provided undertakings to the CMA, and the issues set out above, information about other businesses or other issues in the market can still be submitted to the CMA. It should be noted that, whilst the CMA welcomes information about practices in the marketplace, it does not respond in detail to individual complaints.

Potential outcomes of this review

19. The CMA has not taken any decisions about whether there have been any breaches of consumer protection legislation or what it might do once this review is completed.
20. The information gathered during this review will help the CMA to determine whether further action is warranted.
21. If the CMA identifies issues relating to any of the four secondary ticket platforms:
 - it will consider whether to take forward work by reference to its published Prioritisation Principles;⁶
 - it will pass complaints/issues to other bodies that have an interest or a role in dealing with such issues; and
 - it will forward all relevant information to the CPP's Knowledge Hub.
22. We will be as open and transparent about this work as possible, subject to any applicable legal restrictions around the confidentiality of information we obtain in the exercise of our functions, and the need to ensure that we do not prejudice any investigations by the CMA or other enforcers.⁷ The nature of any public announcement will depend on what we find.

Responding to us

23. We are interested in receiving information from a wide range of parties during our review, including:

⁶ The CMA's Prioritisation Principles can be found [here](#).

⁷ Details of the CMA's policy and approach to transparency and information disclosure can be found [here](#).

- the platforms themselves;
- other market participants;
- sports associations or event organisers;
- consumer bodies;
- consumers;
- our enforcement partners; and
- anybody else with relevant information.

24. You can submit your views by:

- email to: SecondaryTickets.ComplianceReview@cma.gsi.gov.uk; or
- post to:

Secondary tickets compliance review
 7th floor
 Competition and Markets Authority
 Victoria House
 37 Southampton Row
 London WC1B 4AD

25. While we are interested in hearing about consumers' experiences of using the four secondary ticketing platforms, we are unable to provide consumers with advice on individual complaints. Any consumers looking for advice after buying tickets from a secondary ticket platform should contact Citizens Advice – see its website or call 08454 04 05 06.

Use of information you provide to the CMA

26. Please note that we may choose to refer to comments or evidence you provide in a published report, or for the purposes of enforcement or regulatory action. The CMA may also disclose any information provided by you for the purposes set out in sections 170 and 240 to 243 of the Enterprise Act 2002, where it considers such disclosure to be appropriate. In particular, the CMA may choose to put information provided by you to third parties, such as other government

departments and other parties providing information to the CMA, for the purpose of facilitating any further related work.

27. Prior to publication, or any such disclosure, the CMA will have regard to (among other considerations) the need for excluding, so far as is practicable, any information relating to the private affairs of an individual or any commercial information relating to a business which, if disclosed, would or might, in our opinion, significantly harm the individual's interests or, as the case may be, the legitimate business interests of that business (confidential information). In terms of published reports, we may, for example, summarise information received without identifying the contributor, or aggregate information with other information that we have received.
28. If you wish to submit information either in writing or verbally that you consider to be confidential information, this should be indicated to us clearly at the time it is provided and an explanation given as to why you consider it to be confidential.
29. The CMA may also use information provided by you (including confidential information) for the purposes of enforcement or regulatory action by virtue of its own powers.
30. The CMA is also bound by the Freedom of Information Act 2000 (the FoIA). Under this Act, where a person makes a request in accordance with the requirements of the FoIA, the CMA may have to disclose whether it holds the information sought and may be under a duty to disclose it, unless an exemption applies.
31. The CMA is also bound by the Data Protection Act 1998 (DPA). To the extent that information you provide constitutes personal data under DPA, the CMA will process such data in accordance with that Act.

Timing

32. The review is open for responses until 5pm on **12 July 2016**. We would be grateful if information could be provided sooner, if possible.
33. We expect to publish an update on our review within three months.