



Department
for Culture
Media & Sport

ticketing mailbox <ticketing@culture.gov.uk>

Alliance submission to Secondary Ticketing Review - Call for Evidence

1 message

To: "ticketing@culture.gov.uk" <ticketing@culture.gov.uk>
Cc: n@sportandrecreation.org.uk>

20 November 2015 at 20:38

**#GETYOURKITON
FOR GRASSROOTS SPORT**

Show your
support here

Please find attached a submission from the Sport and Recreation Alliance to the secondary ticketing review.

I would be grateful if you could confirm receipt at your earliest convenience.

Best regards

Sent from my Windows Phone

From

Sent: 20/11/2015 20:34

To:

Subject: Alliance submission to Secondary Ticketing Review - Call for Evidence



Alliance response to Secondary Ticketing Review - Final 20 Nov 2015.doc

706K

SPORT+ RECREATION ALLIANCE

4TH FLOOR
BURWOOD HOUSE
14-16 CAXTON STREET
LONDON SW1H 0QT

T 020 7776 3900
F 020 7776 3901

INFO@SPORTANDRECREATION.ORG.UK
WWW.SPORTANDRECREATION.ORG.UK

Secondary ticketing review – Submission by the Sport and Recreation Alliance

The Sport and Recreation Alliance

The Sport and Recreation Alliance is the independent umbrella organisation for the national governing and representative bodies of sport and recreation in the UK. We have over 320 members drawn from across the sport and recreation sector; from organisations like the Football Association and the Rugby Football Union through to British Rowing and The Ramblers. We exist to provide an independent voice for the sector, to protect and promote our members' interests and to deliver outstanding services to support our member organisations.

The role of our members as event organisers

The Alliance has a number of members that organise major national and international sporting events, in particular the Football Association, the England and Wales Cricket Board, the Rugby Football Union, the Rugby Football League, the British Horseracing Authority, UK Athletics and the Lawn Tennis Association. In this context, while the Alliance response is intended to represent the views of the sport sector as a whole, we would nonetheless encourage you to consider our submission alongside the individual responses from our members as they will highlight specific issues based on practical experience of organising and managing ticketing around particular events.

General comments

Before turning to the operation of the existing legislation covering secondary ticketing we would make the following general comments:

- **Sports governing bodies are not against secondary ticketing per se but the market needs to work in a way that protects both fans and event organisers.** We recognise the valuable role played by secondary ticketing markets as a means of bringing buyers and sellers together and enabling fans to transfer tickets for events that they may not be able to attend. However, we are firmly of the view that the secondary market needs to work properly and in the interests of consumers whilst protecting the rights of event organisers to control ticket distribution and attendance at their events.
- **Sports governing bodies do not set prices to profit maximise.** Tickets for sporting events are priced at levels designed to ensure specific groups of fans – often those on lower incomes and families – can afford to attend and also with a view to sustaining long-term, repeated demand so that revenue can be reinvested for the long-term benefit of the sport. Furthermore, event organisers are keen to ensure audiences are diverse as possible given the importance of major sporting events to our national culture and their ability to inspire young people to participate in sport. As a result, ticket prices are not set to deliver a 'one-shot' profit maximisation but rather prices are set at

a range of levels, some well below the level many people are willing to pay. By its very nature, this approach to pricing means that there will be some consumers that buy in the primary market who will seek to take advantage of this differential by reselling tickets on the secondary market for more than the face value. In our view, the secondary market should, so far as possible, be a mechanism to resell tickets at the agreed primary market price (or below), not a means of extracting and appropriating the additional value. The ECB's commercial agreement with secondary platform Twickets is a good example of how the secondary market can work well in this regard.

- **The secondary market cannot be considered in isolation – the functioning of the primary market also needs to be addressed.** Sports event organisers undertake a range of steps, working in conjunction with primary sellers, to control the distribution of tickets to their events. However, despite these efforts, very often significant numbers of tickets released onto the primary market quickly find their way onto the secondary market at prices well above face value. This suggests that some market actors hold significant market power – either in terms of technology or resources – which distorts the functioning of the primary market to the disadvantage of individual consumers. Against this background we would like to see much closer attention paid to the operation of the primary market so as to ensure that the widest range of individual consumers have a reasonable chance to secure tickets at face value.
- **The impact of emerging alternative resale channels – particularly social media – must be considered carefully.** While a great deal of secondary ticket resales are transacted through existing platforms, the emergence of social media (Facebook, Twitter etc.) and the potential for direct, 'peer-to-peer' resale presents a potential future challenge for all stakeholders. It is not entirely clear how (or indeed if) the existing legislation could be extended to cover these social media platforms and so we recommend that the potential application of legislation to them as a resale channel be included in the analysis undertaken by the review panel.

Comments on the current legislative arrangements regulating secondary ticketing

We would make the following key points in relation to secondary ticketing and the operation of legislation around the resale of tickets to sporting events:

- **Consideration should be given to bringing the resale of tickets for sporting events under a single, coherent piece of legislation.** Government has already created specific criminal offences outlawing the unauthorised resale of tickets for football matches, the London 2012 Olympic Games and the Glasgow 2014 Commonwealth Games. Given that Government has already demonstrated it is willing and able to enact legislation for specific sports and events in this way, we see no clear rationale as to why other major sporting events, such as Ashes Test matches or the Wimbledon Championships, should not be similarly covered. We believe there is a clear case for a general offence covering the unauthorised resale of tickets for all sporting events to be introduced in a single piece of legislation. This would clarify the law and provide a coherent justification for the regulation of ticket resale in relation to sporting events, balancing the interests of consumers, ticket resellers and event organisers.
- **The Consumer Rights Act 2015 is a step in the right direction but the Ch 5 provisions need to be enforced consistently and effectively.** While we continue to believe there should be a consistent legislative approach to ticket resale for all sporting events, we nonetheless welcome the provisions contained within the Consumer Rights Act 2015 which represent an important step forward. As the legislation is still relatively new we recognise it will take some time to bed in. However, the experience of event organisers so far is that enforcement of the Ch 5 provisions is patchy and this is backed up by the results of the recent *Which?* study into secondary platforms which demonstrated that many sellers are omitting key information about themselves and the tickets they list for sale. This lack of information makes it difficult for event organisers to engage local trading standards authorities to take action and to cancel tickets in accordance with their terms

and conditions. Similarly, there appears to be little appetite for enforcing the requirements on secondary platforms themselves to provide specific information in relation to the tickets they allow to be listed for resale. We are concerned that a lack of enforcement of legislation of this kind sets a very worrying precedent and could encourage malpractice more widely if there is a lack of confidence that provisions will be robustly enforced. In this context we believe that Government should do more to support local enforcement authorities and that it would be more sensible for the Competition and Markets Authority to be given direct responsibility for enforcing the Ch 5 provisions in relation to secondary platforms. We also believe that the penalties contained within Ch 5 s 93 are not sufficiently severe to act as an effective deterrent.

- **Sports governing bodies have made efforts to improve their approach to ticketing but more needs to be done by secondary ticketing platforms.** A number of sports governing bodies have responded positively to the Consumer Rights Act 2015 by updating their ticket terms and conditions to make them fit for purpose and by providing buyers with information about the ticket (e.g. seat number and block) at the point of purchase before the ticket is physically in their possession. The latter development in particular should ensure that individuals seeking to resell a ticket can no longer have any excuse for not providing the information required by law. As governing bodies have made changes, so we would like to see a similar, proactive approach from secondary ticketing platforms. For example, platforms could make it impossible for sellers to list tickets for resale without first providing the required information through use of mandatory information fields or similar. Similarly, platforms could provide clearer information to resellers and consumers about the changes to the law and the obligations on both platforms and sellers to provide specific information about tickets that are listed.

**Sport and Recreation Alliance
November 2015**



