



Department
for Culture
Media & Sport

ticketing mailbox <ticketing@culture.gov.uk>

Secondary ticketing call for evidence- AIF submission.

2 messages

19 November 2015 at 16:18

To: "ticketing@culture.gov.uk" <ticketing@culture.gov.uk>

To whom it may concern,

Please find attached a response to the call for evidence relating to the review of consumer protection measures applying to ticket resale from The Association of Independent Festivals (AIF). AIF is a national trade association and the UK's leading festival representative body. We represent over 50 festival organisers, ranging from 800 to 55,000 capacity events.

The collective capacity of AIF's member events exceeds 600,000 people and our members generated an estimated £1bn in audience spend during the four year period from 2010-2014.

This submission has been written in direct response to the call for evidence document and is submitted in accordance with the deadline of 20th November 2015. This response represents our 51 member festivals, listed as signatories in Appendix A.

Please confirm receipt of this submission.

With thanks and best wishes,

2 attachments



Secondary_ticketing_response_AIF_November_19_11_15_FINAL.pdf
218K



ATT00001.htm
4K

20 November 2015 at 16:46

To: "ticketing@culture.gov.uk" <ticketing@culture.gov.uk>

Can you please confirm and acknowledge receipt of this submission?

Best wishes,

General Manager
Association of Independent Festivals
Lamb House, Church Street, Chiswick
London, W4 2PD.

<http://www.aiforg.com>

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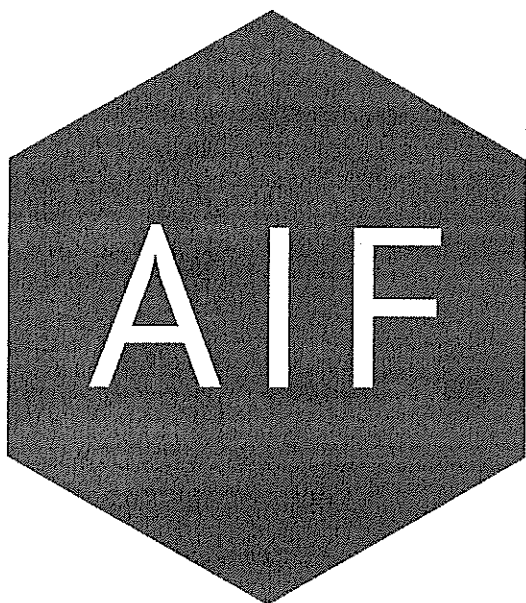
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<Secondary_ticketing_response_AIF_November_19_11_15_FINAL.pdf>

From: AIF

General Manager
Association of Independent Festivals
Lamb House, Church Street, Chiswick
London, W4 2PD.

<http://www.aiforg.com>



THE ASSOCIATION OF INDEPENDENT FESTIVALS
(AIF)

UNITING AND EMPOWERING INDEPENDENT
FESTIVALS.

**DEPARTMENT FOR BUSINESS INNOVATION AND SKILLS
(BIS) AND DEPARTMENT FOR CULTURE, MEDIA AND SPORT
(DCMS) REVIEW OF CONSUMER PROTECTION MEASURES
RELATING TO ONLINE SECONDARY TICKETING
PLATFORMS.**

Call for evidence- Response from the Association of Independent Festivals
(AIF).

19th November 2015.

Private and Confidential.

About The Association of Independent Festivals (AIF).

National trade organisation The Association of Independent Festivals (AIF) is the UK's leading festival representative body.

Founded in 2008 by Rob da Bank (Bestival) and his Manager Ben Turner (Graphite Media), the AIF operates as an autonomous division of the

The Association of Independent Festivals (AIF)- A subsidiary of the Association of Independent Music (AIM), Lamb House, Church Street, Chiswick, London W4 2PD
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Registered in England and Wales Company number: 3685877 Registered office: Lamb House, Church Street, London W4 2PD

Association of Independent Music (AIM) and is a not for profit organisation with its own board and governance structure. The combined attendance of AIF's member events exceeds **600,000** people and our members generated an estimated £1bn in audience spend during the four year period from 2010-2014, £80m of which was spent along the supply chain at local businesses.

AIF has over 50 member events, ranging from the 800-capacity Starry Skies to the 55,000-capacity Isle of Wight Festival.

Please visit www.aiforg.com for more information.

This response represents our 51 member festivals. All are listed as signatories in Appendix A.

Response to the call for evidence for review of consumer protection measures relating to online secondary ticketing platforms:

1) Introduction and background.

To be clear, all AIF members are united on this issue and feel powerless to prevent their audiences and businesses from being exploited by secondary ticketing.

It is a problem that is extremely difficult to control. Our members do not engage with direct allocations to secondary platforms as a condition of membership, and regard the secondary ticketing market an abuse of their fans and of their businesses.

AIF contributed evidence to the All Party Parliamentary Group (APPG) on ticketing abuse in 2014. This resulted in amendments to the consumer rights bill introduced by the Government in March 2015, which created further transparency within the secondary market. This included making important information available to purchasers, including the original face value of the ticket, any entry restrictions, any additional charges, the location of the seat in the venue (including information about restricted views) and fines of up to £5,000 for failure on the part of re-sellers to report any criminal activity with regard to the sales.

However, we regard the Government's actions with the amendments to the consumer rights act to be weak at best. Such actions have not substantially changed the commercial landscape of the secondary ticketing market. It is very much business as usual for these companies and individuals and consumers continue to be exploited.

AIF have campaigned extensively on this issue and introduced a number of industry led initiatives over several years. These include:

- The Ticket Trust- An ethical and genuine fan-to-fan exchange in which

fans can securely exchange tickets at face value or less for our member festivals and other high profile artists.

- Developed standard terms and conditions adopted by all member festivals.
- Introduced the Fair Ticketing Charter- This united managers, agents and promoters on the issue and in addition to members was signed by the likes of Annie Lennox, Radiohead and 13 Artists booking agency.¹
- Given evidence to the APPG on ticketing abuse in 2014.

In addition, AIF has sent cease and desist letters to Viagogo and looked at further industry led solutions using technology, including partnerships with ethical primary and secondary sellers including Twickets and Una Tickets. We support the face value resale platforms that such sellers provide. For example, Twickets charges customers a 10% transaction fee on the cost of the ticket- a secondary market is necessary but should be fair and reasonable to the consumer and not feature hugely inflated prices or fraudulent transactions- Unfortunately, secondary ticketing has become an industry defined by such characteristics.

As representatives from the live event industry, responsible from staging festivals ranging from 800 to 55,000 in licensed capacity, we are committed to ensuring that event-goers have the best experience possible at a fair price. The way that the secondary ticketing market is allowed to operate completely undermines that effort.

It is over three years since Channel 4's 'Dispatches: The Great Ticket Scandal' exposed how secondary platforms court major ticket touts and take direct allocations from promoters to sell on above face value to unsuspecting consumers.² Such collusion is clearly to the detriment of the consumer.

The 'Ticket Crime: Problem Profile' report that followed London 2012 revealed the extent of the problem, with Police recommending legislation and revealing the extent of 'botnet' activity to purchase large amounts of tickets at once. In addition, this revealed links between ticket fraud and serious organised crime and we are certain that the Government will agree that this income clearly does not benefit the UK economy if it is being diverted to criminal gangs.

To quote the Operation Podium report following London 2012: "The lack of legislation outlawing the un-authorized resale of tickets and the absence of regulation of the primary and secondary ticket market encourages

¹ <http://aiforg.com/initiatives/fair-ticketing-charter/>

² <https://www.youtube.com/watch?v=WWlnL8drSdw>

unscrupulous practices, a lack of transparency and fraud”.³

AIF audience research from 2014 indicates that live music fans also feel strongly about the issue- In response to the question ‘Did you buy festival or gig tickets in 2014 for the purpose of reselling them at a profit?’, 99.5% of respondents said no (2134 out of 2144 respondents), with only 10 individuals saying yes (0.5%) and a number of comments including: “It makes me angry that people buy tickets and resell them at a profit” and “I think selling for profit is disgusting and spoils it for real music fans who want to watch live music”.

High profile artists are also commenting on secondary ticketing, with Prince reportedly postponing the sale of tickets for a forthcoming UK tour due to concerns about inflated prices on the secondary market in November 2015.⁴

Please note that the entire European tour was subsequently postponed as a result of the terrorist attacks in Paris on November 13th.⁵

2) The current state of secondary ticketing in relation to the consumer.

1. **Consumers continue to be defrauded:** There are unarguable connections between fraud and secondary ticketing- For example, AIF member Kendal Calling in 2015 had 27 fraudulent tickets bought on secondary platform Viagogo.

Here is a statement from Kendal Calling promoter Andy Smith explaining what occurred:

“Over the past 6 years we have seen a sharp rise in members of public attempting entry via fake / duplicated / mislabeled tickets that have been purchased through secondary ticketing suppliers. In 2015 I was pulled away from my main duties to deal with a situation at the main box-office. On arrival I found that 27 people had purchased tickets from Viagogo, an ‘online marketplace’ which advertises itself as a 100% safe and guaranteed ticket reseller (to quote verbatim)”

“None of these tickets were valid or legitimate tickets. They were all forgeries”.

“On questioning, the public had paid between £200 - £400 per ticket, a

³ <http://content.met.police.uk/Article/Operation-Podium/1400005479316/1400005470676>

⁴ <http://www.theguardian.com/music/2015/nov/13/prince-declares-war-on-touts-as-his-ticket-sales-are-postponed>

⁵ <http://www.billboard.com/articles/news/6762613/prince-cancels-european-tour-paris-shootings>

markup of some 200 - 400%. Facing a volatile crowd, I attempted to make contact with Viagogo. Despite it being 2pm on a Friday afternoon, all of the Viagogo phone numbers published on their website went straight to a recorded message informing me that the offices were closed and, if I had an issue, to send an email".

"The crowd was upset with me, the promoter, which hurts the perception of our festival in the eyes of those unfortunate enough to purchase these tickets, hurts the perception of the festival in the eyes of those witnessing the incident, and creates issues at entry points around the site - and in extreme cases can lead to disorder. We had to pull additional security over to this incident from other areas, creating additional stress"

"Post event, I attempted to make contact with Viagogo to inform them there was a problem. 4 months later I have yet to receive any communication from Viagogo".

These tickets were fraudulent and the platform had essentially facilitated the sale of a meaningless piece of paper to fans. Viagogo were not contactable and the promoter had to resolve the situation without any support or input from the third party secondary seller- these platforms are unaccountable, do not offer a secure service for the consumer and such incidents are not isolated.

Tickets are appearing at hugely inflated prices and consumers are being misled. In 2015, tickets for the Secret Garden Party Festival in Huntingdon, Oxfordshire were on-sale on secondary platforms for over five times the face value price of £185 and promoters are powerless to prevent this from happening.

James Brennan, production manager and music booker at The Secret Garden Party comments: *"As a truly independent festival that has no sponsorship, our ticket sales are the only source of revenue before the festival commences. On a number of years, we have sold out, which makes our event a 'hot ticket'. We are therefore prey to secondary ticketing companies selling our tickets at huge mark ups, **sometimes five times the standard festival ticket price**".*

"We rely on our audience returning to the festival each year, but with our customers being forced to pay outrageous prices, many will not return and be deterred from doing so in the future. Our audience is everything to us and being put off by tickets at sometimes five times the market rate, it undoes all of the hard work that we have put into the event and making it an attractive British festival to attend".

"We do not have any control on these "touts"; time and money is wasted

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every year on trying to stop something that could so easily be resolved. It is the events themselves that should have the power on their ticketing, not the secondary ticketing markets. Estimating the secondary ticket market to be around £1bn, perhaps this market should pay towards the PRS we pay at festivals and concerts”.

Consumers Association Which? recently conducted an investigation into the secondary ticketing market, spending eight weeks monitoring four of the largest secondary ticketing sites⁶.

Their report unearthed numerous examples of anti-consumer tactics, including tickets for sale before the official release date, and resale restrictions being ignored. These include:

- Tickets appearing on resale sites before being officially released
- Tickets appearing simultaneously on primary and resale sites.
- Suspicious ticket release patterns (eg tickets on sale within minutes of a priority pre-sale)
- Resale restrictions ignored (eg neglecting to mention that photo ID was required on the door).

The problem is much wider than festivals. Here are several examples of live music show on-sale at the time of writing on secondary platforms. This illustrates the fact that tickets are appearing on the secondary market at inflated prices for shows that are not even sold out on primary ticketing platforms.

1. Tame Impala – 12th February 2016, Alexander Palace, London – Not sold out, tickets still on sale from primary agent.

When googled, Seatwave and Stub Hub are the top results

Gigs & Tours (Primary) - £27.50 including Booking Fee.

Seatwave – Tickets up to £69.50, minimum £49.99

Stub Hub – Tickets up to £100.30, minimum £60.18

Viagogo – Tickets up to £140.64, minimum £44.99

2. The Libertines- 30th January 2016 - The O2 London- Still on sale

O2 website- £45 including BF.

Viagogo - up to £475, minimum £45

Stub hub (572 tickets available) - Up to £234.82, min £47.20

Get Me In (470 tickets available) - Up to £770, minimum £44

Seatwave (475 tickets available) - Up to £259.95, minimum £55

3. Muse, 3rd April 2016 - The O2 Arena, London - Only the presale has sold out, general tickets aren't on sale until Friday 20th November.

⁶ <http://www.bbc.co.uk/news/business-34804333>

O2 Website - Tickets between £51-£84
Viagogo- Up to £394.43, minimum £80
Stub hub (490 tickets available) - Up to £461.40, minimum £100
Get Me In (358 tickets available) - Up to £357.50, minimum £82.44

4. City And Colour, 26th February 2016. The Troxy, London – Not sold out, tickets still on sale from primary agent.

Gigs & Tours - £31.35 incl BF

Stub Hub – Tickets up to £76.70, minimum £53.10 (FIRST GOOGLE RESULT).

Viagogo – Tickets up to £57.95, minimum £44.52

Seatwave – Tickets up to £63, minimum £44.45

2. There are no Performing Rights Society (PRS) fees being paid on the profits from secondary ticketing despite all festival and gig promoters paying 3% of gross ticket sales revenues to the PRS. In addition, the majority of sales do not include VAT. Much of the profit made on such platforms is not reinvested into the industry and does not support the artist or promoter, who are responsible for creating and investing in the project.
3. Secondary ticketing is a parasitic industry growing on the back of the creative arts- it is also prohibiting access to the creative industries when the public are expected to pay in excess of £1, 000 in some instances for access to a single event.
4. The main counter-argument is that ticket resale for profit is simply the free market in operation but these re-sales often don't reflect the true picture of supply and demand. As we can see from the above examples, secondary ticketing falsely inflates the market, competing with the promoter of an event to sell tickets at over inflated prices to shows that are not sold-out and still have tickets available at face value. There is a perception problem, as the consumer simply perceives the secondary ticketing platform to be a legitimate primary platform and often makes no distinction between the two.

There is no silver bullet solution from the live industry- AIF have introduced several measures aimed at adapting and meeting the problem head-on with solutions but self-regulation is near impossible and the problem requires meaningful Government intervention.

We conclude that the above evidence provides sufficient proof that the amendments to the Consumer Rights Act 2015 were extremely diluted, had little to no impact on regulating the secondary market and that the measures

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are not protecting consumers from paying over inflated prices or from experiencing serious ticket fraud on the secondary market.

APPENDIX A- List of festival signatories represented by this response.

AIF MEMBERS

1. 2000trees
2. Ampthill Festival
3. ArcTanGent
4. Barn On The Farm
5. Beat-Herder
6. Belladrum Tartan Heart
7. Bestival
8. Blissfields
9. Brecon Jazz
10. Brownstock
11. Camp Bestival
12. Common People
13. Cornbury
14. Deer Shed
15. Eden Sessions
16. Eistedfodd
17. End Of The Road
18. Fairport's Cropredy Convention
19. Farr Festival
20. Fire In The Mountain
21. Forgotten Fields
22. Garage Nation Festival
23. Greenbelt
24. Heb Celt Fest
25. Isle Of Wight Festival
26. Just So Festival
27. Kendal Calling
28. Kilimanjaro Live
29. Larmer Tree Festival
30. London Remixed
31. Loud Sound
32. Meltdown
33. Nozstock The Hidden Valley

34. Pangaea
35. Pete The Monkey
36. Secret Garden Party
37. Shambala
38. Splore Festival
39. Standon Calling
40. Starry Skies
41. Strawberries & Cream
42. SWN Festival
43. The Fling Festival
44. The Good Life
Experience
45. Tramlines
46. Truck
47. Twisterella
48. Underneath The Stars
Festival
49. Vicars Picnic
50. Village Green
51. Y-Not

962.