

20 November 2015

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Dear Mr

**re Review of Consumer Protection Measures
Applying To The Resale of Tickets**

Please find enclosed a chronology of press news stories from our publications LIVE UK and Audience, charting the arrival of US-orientated ticket resale sites in the UK.

It begins with the live industry lobbying government to regulate against the pending threat of industrial-scale and insider ticket touting distorting what was a relatively balanced and fair ticket market.

The government didn't see the danger and the live music industry's predictions proved sadly true. Viagogo launched here, then Seatwave, Ticketmaster's Get Me In and finally eBay-owned StubHub – all fighting for business from the same touts and anyone else they could persuade to divert face-value tickets to the resale sector.

The founder of StubHub told me personally that, as a stakeholder in the live music business, I could share in the profits that could be extracted from those music fans prepared to pay more than face value. All I had to do is access tickets and post them on the site, anonymously, of course.

If you have any queries, then do not hesitate to contact me.

Yours sincerely

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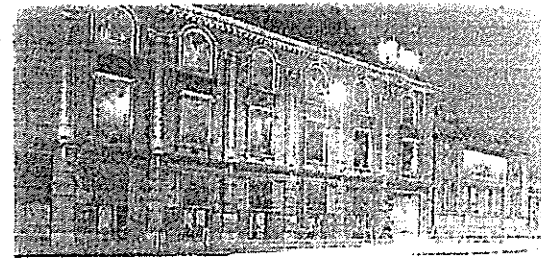
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Coopers say, "On future events, where promotions and socials have been cancelled." Refunds are being offered for shows by Laibach and Level 42, with the latter event moved to the Astoria.

Located in the Hackney area of the capital, Ocean was established using £23 million of public regeneration funding. The idea was to create a centre that could

efforts, we have been unable to acquire the necessary funding to allow us to continue restructuring the business. Regrettably we therefore have to announce the immediate closure of the Ocean venue in Hackney with a total of 35 redundancies. We will now take measures to place the company in liquidation."



Online touting causing concern

NATIONAL ARENAS Association (NAA) chairman Peter Tudor is trying to initiate talks with internet auction sites in an effort to stop concert tickets from being re-sold online.

Tudor says the practice, which is increasingly rife, is causing problems at every show at Wembley Arena, where he is director of sales and marketing. Although the issue is not officially an NAA matter, he believes it is adversely affecting venues up and down the country.

"We have people turning up at the box office to collect tickets they have bought on eBay at every show now," he says. "Most of the time, the tickets are indeed waiting for them, but in a lot of cases, people have simply been ripped off and it results in furious

customers confronting our staff."

However, Tudor is quick to point out that it isn't just the punters who are in danger of losing money. "We're seeing entire shows sold out very quickly nowadays, yet moments later, tickets for those shows appear for sale on eBay. So the promoter can't tell is the rush on tickets if genuine and may add another night when there is no real demand."



Agent and promoter John Giddings of Solo is backing Tudor. "We have these problems with all of our shows," he reveals. "People have been offering tickets for U2 on eBay for the past month and they aren't even on sale yet. The bottom line is the general public are desperate to get their hands on our tickets and the internet has taken touting

to a completely new level."

Giddings maintains that promoters and venues should work together on an education campaign to stamp out ticket touting. "We should be running newspaper ads to tell people to only buy tickets from official ticket agencies," he says.



Tudor concludes, "We really need to make the consumer aware of the pitfalls. Our terms and conditions say that if a ticket is sold on, then it is void, but there's no real way of enforcing that. However, if a show is cancelled, the holder of a ticket can't exactly go back to the seller on eBay and demand a refund and if they come to us we'll have no record of them."

Nov 2004. Aurb. uk (56)

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Anti-ticket abuse campaigners celebrate Government U-turn

Commons and Lords support transparency

FOLLOWING A vote in the House of Lords on 24 February and a Government U-turn, an amendment to the Consumer Rights Bill is set to rock the foundations of the secondary ticketing market.

Once enacted, the amendment will make it more difficult for ticket touts to offer or sell tickets not in their possession, for criminals to make automated mass purchases via computer systems (commonly known as bots) and for live music industry figures to sell tickets without being identified.

The changes to the bill, tabled by Conservative peer Lord Moynihan and with the backing of Labour and Liberal Democrat peers, requires that resellers provide the ticket's seat number or standing information, whether any restrictions apply (student price or under 18) and a ticket's face value.

If the initial ticket purchaser is a member of the general public, it will not be necessary for them to be identified. But the amendment means that websites such as Ticketmaster-owned Get Me In! and Seatwave, Viagogo and eBay-owned StubHub will be required to reveal the identity of sellers who have an involvement with the event or their company.

"If a ticket is sold by way of a business – such as a promoter, artiste, sportsperson, someone acting on behalf of the venue or a secondary operator – it will be necessary to declare who they are," says ticket security expert Reg Walker of The Iridium Consultancy.

The amendment also requires the Secretary of State to review the secondary ticketing market, the business models used, insider touting, profiteering and the effect on music and sports fans, within 12 months and report to Parliament.

The Department of Culture Media and Sport will decide who chairs the statutory review and Mike Weatherley MP, co-chair of the All-Party Parliamentary Group on Ticket Abuse (APPG) has already offered his services to culture secretary Sajid Javid.

"Whatever the review says has to be debated in Parliament. There is no obligation to put legislation in afterwards but Government will find it very hard to argue against the recommendations of the review," Weatherley tells *LIVE UK*.

The amendment also requires ticket resellers to report actual or suspected criminal activity. Failure to do so will result in a fine of up to £5,000.

"The fact that the Government has had to introduce legislation to force secondary ticketing platforms to report crime is a damning indictment of their failure to do so in the past," says Walker, whose company dealt with more than 3,500 victims of fake tickets in London during 2013-2014, many sold through websites such as Viagogo and Seatwave.

The Bill is expected to return to the House of Commons for debate within days of *LIVE UK* going to press, and the Government, having voted against an earlier amendment (see *LIVE UK* issue 180), has said that it will now support the changes.

APPG co chair Sharon Hodgson MP, who was featured in the February 2012 Channel 4 programme *Dispatches: The Great Ticket Scandal*, welcomed the decision.

"My APPG colleagues and I have campaigned for years to make some real

changes to this broken marketplace and the law needs to finally address this issue.

"It is becoming harder and harder for ordinary people to go to see the artistes or events that they love, resulting in attending these events becoming the preserve of the more well-off," says Hodgson.

Iron Maiden manager Rod Smallwood, who has also long fought against industrial-scale touting, is delighted with the result.

"After five years of campaigning this is a well-earned and ground-breaking first step," he says. "We can hopefully progress more over the next year during the mandatory review period, especially as the major sports bodies are now vocal and committed."

However, on the other side of the debate, StubHub's international CEO Brigitte Ricou-Bellan is dismayed by the change of events and tells the *Financial Times* that the eBay-owned company will examine whether the Government's proposal complied with European Union law.

"It's not great for our business or great news for our consumers," she says, describing the amendment as "misguided". In an interview with BBC Radio 1's *Newsbeat* programme, she claims the amendment was "driven by event organisers who want to cancel resold tickets ... and even blacklist some fans".

A spokesperson for Viagogo dismissed the changes, saying, "It's business as usual. Ticket resale was legal yesterday, is legal today, and will still be legal tomorrow.

"The only practical implications of the new legislation are that we might need to publish some additional information about the tickets on our site later this year."

A statement by a Ticketmaster spokesperson says, "We look forward to working with the government and the industry to implement this regulation to the benefit of all consumers and continuing our work to provide market based solutions, both within the primary and secondary sectors, so delivering higher levels of transparency, choice and protection."

Once it completes its passage through the House of Commons, the Consumer Rights Bill will come into effect within months.



Sharon Hodgson



Mike Weatherley



Rod Smallwood



Brigitte Ricou-Bellan

Glastonbury considers ticket photo-card plan to beat touts

UNITED KINGDOM
Glastonbury festival is seriously considering the idea of issuing photo-cards as tickets for the 2005 event.

Fed up with the irrepressible touting of tickets, particularly online, festival organiser Michael Eavis is floating the idea to the public and tells *Audience* the concept is meeting with approval.

"It would be a plastic card, but contrary to rumour, it would not be an identity card," he says. "It would display the buyer's name, date of birth and photo and would use a computer chip to make it virtually impossible to replicate."

Although Eavis is determined to close down the black market in tickets, he is anxious not to alienate the public and, as such, he and daughter Emily aired the

photo card plan on BBC Radio 1 to gauge response.

"From the feedback Emily had through Radio 1, 92 per cent were in favour of a change if it means tickets are not going to be re-sold to them for hundreds of pounds," says Eavis.

*Tickets were
being bought
and re-sold at
huge profits*

Michael Eavis

"We made huge improvements to the ticketing this year, but I'm still not satisfied with it. Tickets were being bought and re-sold at

huge profits and there were a number of forgeries, which amount to unknown thousands."

However, confident that he may finally have found a way to beat the touts, Eavis is now awaiting pricing on running proximity card readers at the festival's access gates.

"The cost to manufacture each card would only be 40p (\$0.77), but we have six miles of fencing to link the card readers, so we're undertaking a study to establish whether the idea is viable," he adds. "The good thing is that the principle is acceptable to people and I'd be very pleased if we could eradicate the scams and touts."

The event's website is already warning fans not to buy tickets being offered on websites, as the

festival itself has yet to put any on sale. It also says no acts have been confirmed.



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Not Root, And (58)

..... cover artist

From roses to revolvers

2000

Government closes Getmetickets

THE DEPARTMENT of Trade and Industry has shut down ticket agency Getmetickets.net after investigating music fans' claims of over-pricing and failure to deliver.

The Getmetickets website gained notoriety after customers complained that they paid high prices to get into sell-out shows, but their tickets failed to turn up. The operation was twice the subject of probes by the BBC's Watchdog programme, as well

as national press articles.

Secretary of State for Trade and Industry Alan Johnson presented petitions in the High Court to wind up, in the public interest, three related Getmetickets companies. The court has appointed Official Receiver Paul Titherington as provisional liquidator of the trading company, pending the hearing of the petitions in March.

At the time of closing, Getmetickets

was offering tickets for acts including The Eagles, Eric Clapton and Take That, with prices rising to £1,777 for the top seats for the Rolling Stones.

In a notice on the company's website, Titherington says, "When my staff attended the company's premises a number of tickets were recovered. It appears that the company does not have sufficient tickets to supply all its customers who have ordered and paid for tickets."

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Backstage Stars -
Adrian Gibson

An insight into the backstage scene, with the city's own
in one of the UK's thriving cities

Tours Guide

A guide to the city's most popular
venues, their periods

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CPA blasts minister over touting inaction

ANGRY PROMOTERS are urging music fans to bombard the culture minister with letters urging her to outlaw the resale of tickets for gain, following the Government's inconclusive final summit on ticket touting.

Concert Promoters Association (CPA) delegate Rob Ballantine of SJM Concerts accused the government of lack of determination to put genuine pressure on touts and sites such as eBay, and said the body's lobbyists will remain active.

Secretary of State at the Department for Culture Media and Sport (DCMS), Tessa Jowell, has asked for further evidence of key issues and promised the Government will come up with a final decision within weeks.

Says Ballantine, "Whilst we welcome the Secretary of State's clear statement that the government is against anyone re-selling a ticket for commercial gain, we are frustrated they still have not acted to give us the necessary tools to self-police our touts.

"It is clear the government is presently still unable to offer or support any proposal to help stamp out touting," he says.

Once again the meeting did not include any representation from the Association of Secondary Ticket Agents (ASTA), although the organisation's marketing director Marc Melander doesn't seem too worried.

"What is clear though, is that the government is not going to introduce legislation to criminalise secondary ticketing, so I think what might happen now is that the CPA will start their own legal action, using contravention of ticket [terms and conditions] to launch their own private prosecutions."

However, a DCMS spokesman replies, "our survey of music fans says the majority want to keep the system as it now stands, and after all, the vast majority of tickets are sold at face value and don't go to touts for re-sale.

"We are also awaiting the Unfair Commercial Practices Directive from the EU. This gives consumers general protection from rip-offs and we want to see how it works out before taking any further steps."

Tables turned in touting tussle

LUK
July
2006

3B

Secondary ticketing rep dropped from summit

CONTRARY TO pressure from the live sector for the Government to ban secondary ticketing, Culture Secretary Tessa Jowell has put the industry on notice to deliver significant progress itself within 12 months.

In a 17 July meeting at the Department of Culture Media and Sport (DCMS) to discuss the touting issue, Jowell and creative industries minister Shaun Woodward challenged the industry to come up with solutions, but warned that if it fails to do so, the government would not rule out legislation.

The ministers are pushing for an industry agreement to introduce a returns policy whereby fans can return tickets at face value to the original sellers, if they are unable to attend an event.

Other measures called for by Jowell include a Concert Promoters Association (CPA) website, where fans can exchange tickets at face value and a drive to work with the Office of Fair Trading (OFT) to draw up terms of conditions and kite marks for ticket sales websites.

In return, the government has pledged to continue working with the industry and OFT to draw up a code of practice for both primary and secondary ticket sellers.

Jowell says, "I have met with the industry three times now and good progress is being made. But the industry should consider itself on notice - if it hasn't come up with a workable solution to stamping out the most unscrupulous touts by next

summer, we may consider targeted action and changes in legislation to ensure genuine fans are protected from exploitation."

Those attending the ticket touting summit included the CPA, the National Arenas Association (NAA), the Society of Ticket Agents and Retailers, the Millennium Stadium, Ticketmaster, See Tickets, eBay and various sporting bodies.

Un-invited ASTA

However, the Association of Secondary Ticket Agents was prevented from attending, as its marketing director Marc Melander reveals, "We were told by the DCMS the week before that we were no longer invited because they didn't think it was appropriate for ASTA to be there."

"We're obviously disappointed by that, but it came on the back of the government asking us to provide evidence that the primary market was selling tickets on to the secondary market," says Melander. "But if we were to name names, then those ticketing sources would simply disappear."

"I can say though, that we did not walk away from these discussions and we still want to be involved in these talks going forward," he says.

A DCMS spokesperson tells *LIVE UK*, "We are still committed to working with them [ASTA]. At the last meeting, we gave a rough guide

for a code of conduct and asked representatives to work on it. We didn't think that ASTA had gone far enough and were not quite ready for this meeting. We thought they needed more time to work on it."

Positive progress

Meanwhile, NAA chairman Geoff Huckstep tells *Live UK*, "It was a very positive meeting as far as the promoters and venues were concerned, as a great deal of thought had been given to the views we expressed at our last meeting in April."

At that April meeting, representatives of the live music industry were dismayed to be sitting at the same table as ASTA, as that was seen to legitimise the body.

"ASTA were not invited to the latest meeting, which was a very positive step and shows the government now has a much clearer understanding of what our issues are," says Huckstep, who is also chief executive of Nottingham Arena.

Concluding, Huckstep says, "We've already made significant steps into improving the business and everyone is committed to the self regulation process. For

instance, the industry is now adopting a formal returns policy and Live Nation is setting up a ticket exchange programme.

A DCMS spokesperson says the department is undertaking research into secondary ticketing and to what extent ticket-buyers and events are being affected.



Marc Melander



Geoff Huckstep

(4)

LIVE UK
ISSUE - 88
JUNE 2007

Government and Warner Music under fire on attitude to secondary ticketing

CONSTERNATION FOLLOWED the Government's decision to intervene against eBay on behalf of the BBC, when the auction site listed free Radio 1 Big Weekend tickets for sale.

Minister for the Creative Industries Shaun Woodward criticised eBay after tickets for the 30,000-capacity event were being touted for more than £600 a pair on the auction site.

The Department for Culture, Media and Sport (DCMS) says Woodward feels strongly about this particular situation, because it claims eBay was facilitating the sale of the free tickets, contrary to the terms and conditions of their issue.

"This flies

in the face of all the hard work that Radio One is putting into stamping out touts at the Big Weekend," says Woodward, calling for eBay to block the sales. "The artistes are not making money from this free event, so why should the touts?"

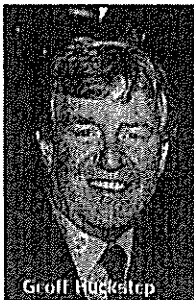
He adds, "This event is just one example of crown jewel events of national importance that the Government is considering giving special protection from touts."

But the protection of only a few Government-appointed events does not go down well with those in the industry who are committed to stamping out secondary ticketing.

"My personal view is that the government only seems to act when a PR catastrophe looms," says National Arenas Association chairman Geoff Huckstep, who is also chief executive of Nottingham Arena.

'We estimate that 20-25 per cent of concert tickets are being traded, which was never the case prior to eBay'

Nick Blackburn



Geoff Huckstep

- New committee appointed
- Label does auction site deal

"There's no difference between a fan of the Killers being unable to buy a ticket at face value, because some other teenager has bought four in order to sell two at massively inflated prices, and the resale of tickets to the Concert for Diana.

"We've had summit after summit with [DCMS Secretary of State] Tessa Jowell and it's clear that eBay and other unofficial secondary agents will not abide by the terms and conditions that are there to protect the

consumer," says Huckstep.

See Tickets MD Nick Blackburn welcomed the appointment of a new Government select committee to re-examine the issue.

"We were very disappointed at the end of the last meeting with the Government, when Tessa Jowell said she didn't feel it was a big enough problem to warrant legislation, despite the fact there is legislation for football and the Olympics," says Blackburn.

"As a ticketing company, we find that individuals often buy more tickets than they need, so they can resell them - they are becoming bedroom touts. We estimate that 20 to 25 per cent of concert tickets are being traded - which was never the case prior to eBay.

"eBay say they are providing a service for people who cannot otherwise get concert tickets, but that's b****s, they are providing a service for people to make a huge profit," says Blackburn.

An eBay spokeswoman says, "As part of our ongoing dialogue with the Government on the issues surrounding the secondary ticket market, we had a very positive meeting with Shaun Woodward and we are committed to further discussions in due course."

Endorsement denial

Meanwhile, record label Warner Music International (WMI) attracted widespread criticism from the live sector when it emerged the company had done a deal with secondary ticketing website Viagogo.

The deal will see tickets for charity events and special showcases offered for sale on the site. But WMI denies that by inking the deal, they are endorsing secondary ticketing.

Vice-president of Digital Business at WMI Eric Daugan tells *LIVE UK*, "We take note of the fact that there are issues to consider around secondary ticketing and we want to ensure that we are sensitive to the concerns of consumers, artistes and promoters.

"But Viagogo is a site where a large number of music fans congregate in order to access music experiences and we wanted to find a way to work with the site and tap into that community.

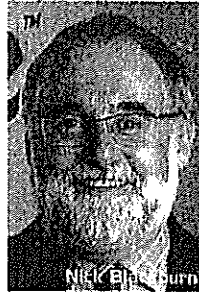
"Artiste showcases that benefit charities are a means for us to interact with this community of music lovers and by offering places at such events - whether by auction or fixed price - we are

giving to charity, offering fans something unique and building a buzz around an artiste at the same time."

Educating sense

Veteran promoter Danny Betesh of Kennedy Street Enterprises, who is also a member of the Concert Promoters' Association executive, wants to see the public educated to book tickets from the venue and the main ticket agents only.

He strongly counters the argument that ticket auctions establish the prices that the market can bear.



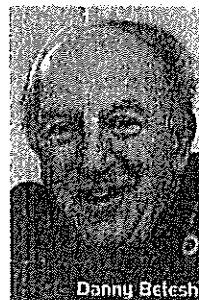
Nick Blackburn

"Live music has been very buoyant recently. But if we continue to push ticket prices up all the time, it won't stay that way," says Betesh. "Secondary ticketing pushes prices up a lot more and it will have a negative knock-on effect."

On the other side of the fence, Association of Secondary Ticket Agents' chairman Graham Burns calls for more transparency and a level playing field across the industry.

"What seems to be acceptable for one person is unacceptable for another - it's a very contentious issue," he tells *LIVE UK*. "These Radio 1 tickets were apparently free to people drawn from a lottery. So, if I won a dishwasher in an Argos promotion, would it be unacceptable for me to sell it?"

Burns adds, "The terms and conditions on *Miss Saigon* tickets say they're not for resale, but they are clearly being resold openly in Leicester Square. We need some sort of clarity here. We need to decide what's acceptable reselling."



Danny Betesh



Aggrieved Bruce Springsteen fans to get refunds

UNITED STATES Now merged as part of Live Nation Entertainment, Ticketmaster (TM) and resale subsidiary TicketsNow have settled Federal Trade Commission (FTC) charges of deceptive sales on tickets to 14 Bruce Springsteen & the E Street Band concerts in 2009.

There were allegations of bait-and-switch tactics, whereby TM's site said "no tickets found" and switched the consumer to TicketsNow, where tickets were available at various multiples of face value.

TM has agreed to pay refunds to fans who bought tickets for those Springsteen shows through TicketsNow, and to be clear about the costs and risks of buying through its resale sites. The refund will be the TicketsNow cost less the TM's face-value price.

"Buying tickets should not be a game of chance," says FTC chairman Jon Leibowitz. "Ticketmaster's refrain is that it sold through TicketsNow to give consumers more choices. But

when you steer consumers to your resale websites without clear disclosures, and they unknowingly buy tickets at higher prices, they'll be left with a sour note."

Additionally, the FTC said that TM failed to let buyers know that many of the resale tickets advertised on TicketsNow.com were not actual tickets secured by the seller for sale at the time they were listed and bought, and some tickets were being sold speculatively.

"TicketsNow.com sold phantom tickets without letting consumers know that the tickets did not exist," says Leibowitz. "Then, the company held onto consumers' money, sometimes for months, when it knew those fans weren't going to see Springsteen. Clearly consumers deserve better."

The FTC response is not a finding that TM actually broke the law. The stipulated final order is for settlement purposes only, and does not constitute an admission by the defendants of a law violation.

LUK
March
2010

LIVEUK

Government rules out banning touts (again)

THE GOVERNMENT has decided not to introduce measures to prevent the resale of tickets for so-called 'Crown Jewel' events, concerts and sports tournaments like Live Earth and Wimbledon deemed of special national interest.

The decision came as a result of the latest Department of Culture Media and Sport (DCMS) consultation on the issue of ticket touts, which ran from March to May last year, although the findings have only just been published.

This study follows numerous investigations by both the DCMS and a special select committee, yet produces no change in the government's position of refusing to legislate on the matter (see *LIVE UK*, issues 77, 96, 100).

Culture Minister Gerry Sutcliffe says, "We have decided that the best way forward is to encourage a strong, self-regulated primary market, but one that recognises the need for a healthy and safe secondary market.

"However, we also look to the primary market to improve the lot of ticket buyers," he says, citing the model terms and conditions (T&Cs) produced by the Society of Ticket Agents and Retailers (STAR) in August, as an example of a successful industry initiative.

Sutcliffe adds, "We especially urge secondary sellers to show respect and restraint when

77), the Government's then culture secretary Tessa Jowell said, "The industry should consider itself on notice - if it doesn't come up with a workable solution to stamping out the most unscrupulous touts by next summer [2007], we may consider targeted action and changes to legislation to ensure that genuine fans are protected from exploitation."

"The worst thing about this situation is that many fans can no longer get access to concerts at face-value [price]."

STAR secretary Jonathan Brown says members will be asked in April to vote on amendments to its code of practice, which will mean secondary ticketing companies will be allowed to join the organisation.

"The aim is that they too will come under the standard, meaning consumers, whether they've bought through the primary or secondary market, can expect the right level of protection," he says.

Meanwhile, at the Association of Secondary Ticket Agents (ASTA), chairman Graham Burns says, "I'm disappointed at the government's decision. All they need to do is legislate that anyone selling tickets must be a member of ASTA or STAR and display the logo everywhere, and that would begin to regulate the industry."



Gerry Sutcliffe



Paul Betesh



Jonathan Brown



Graham Burns

considering sales for certain charity events and those events where there is free admission."

The report contains the oft-repeated threat that, while the government prefers the industry regulates itself, "we will not rule out taking action if the industry fails to do this".

In July 2006 (see *LIVE UK*, issue

Ticketline MD Paul Betesh, whose clients include Creamfields, Bestival, The Big Chill, Reading and Leeds, says, "What's laughable is how much effort the Government has gone to already, and how much money has been spent, for it to again say 'we're not going to do anything'.

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Audience, Oct 2010
⑥

No easy street for Ticketmaster

UNITED STATES More than 1,000 Bruce Springsteen & The E Street Band ticket holders will receive refunds from Ticketmaster (TM), thanks to a settlement with the Federal Trade Commission (FTC) over charges that the company used "deceptive bait-and-switch tactics".

Buyers were directed to TM's TicketsNow resale site, where prices were "double, triple or

quadruple the face-value of the ticket", when there were still regular-priced tickets available on TM, according to the FTC.

Claim forms were mailed earlier last month to 1,018 fans who bought tickets for shows in 14 cities.

Concert-goers will receive the difference between what they paid at TicketsNow and what they would have paid on the TM site.

BBC and *Sunday Times* allege tickets fed to touts

TWO INFLUENTIAL media institutions have highlighted ticket touting targeting Live Nation Entertainment division Ticketmaster (TM) and its secondary ticketing subsidiary Get Me In! in the last few weeks.

First was BBC 1 television in October, whose *Watchdog* programme investigated the speed at which tickets appeared on Get Me In!, and how the site was able to resell tickets for the Live Nation-promoted Help For Heroes concert at Twickenham Stadium (cap. 60,000), when the terms and conditions were meant to prevent that.

Watchdog reporters then called TM, posing as a customer, to ask why the site allowed the trade of tickets to the charity concert. According to *Watchdog*, TM replied that the tickets could be resold on its Get Me In! site,

but not, for example, on eBay.

Programme staff then followed a member of the public's attempts to purchase James Blunt tickets at 9am on 22 September, the day they went on sale. The buyer found that during the next hour, Ticketmaster reported none were available, but Get Me In! had £30 face-value tickets on offer for £150.

TM declined to be interviewed on the programme, which has up to 4.5 million viewers, but issued a written response saying, "Ticketmaster never diverts tickets allocated to it for sale at face value to Get Me In!," adding that "Ticketmaster

is working with its clients on a number of initiatives to further manage the activities of the secondary market."

Get Me In! earns a total of 25 per cent from each ticket resold, while TM's booking fees are believed to generate 10-12 per cent.



Graham Burns

A few weeks later, on 14 November, *The Sunday Times* ran a cover news story, with inside follow-up, on touting and ticket profiting from resales.

The Sunday Times investigators claimed that, "organisers of events are ramping-up prices by releasing tickets on websites used by touts, instead of their own box offices."

The newspaper, which has a print circulation of 1.1 million, quotes Graham Burns of the Association of Secondary Ticket Agents as saying, "The ordinary fan is screwed. The decks are stacked against them."

"Try and buy a front-row seat at a best-selling concert at face-value - it can't be done. They will have gone out the back door or already been sold to the secondary market," the paper reports Burns as saying.

The piece also says industry sources estimate "as many as one in five tickets ends up on tout websites and is resold at an average mark-up of 60 per cent".

However, neither *Watchdog* or *The Sunday Times* produced any evidence of improper behaviour on the part of promoters or ticket agencies.

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LIVE UK
Issue 131
December 2010

MP urges support for anti-touting Bill

A CAMPAIGN against the secondary ticketing market is calling on the live music industry to lobby the Government to change the law.

Labour MP Sharon Hodgson brought a Private Member's Bill aiming to tackle touting of tickets to a second reading at the Houses of Parliament on 21 January.

But the Bill ran over time and has now been re-scheduled to be heard on 13 May.

The Sale of Tickets (Sporting and Cultural Events) Bill would

allow event organisers to prevent tickets being resold by unauthorised retailers for a price greater than 10 per cent over face value.

"We really need to change the public perception and make it seen as something that people don't want to engage in," Sharon Hodgson, Labour MP for Washington and Sunderland West.

"Until the law of the land says this is wrong, people won't see it as wrong."

Hodgson's Parliamentary

researcher Mike Forster says Private Member's Bills rarely become law and more direct action may be needed to drive the campaign.

Hodgson adds, "We've had the debate and it's all down on the record. I know I might not get another chance to debate it, but at any point the Government might take it up."

"I want to have a big campaign starting now, so that by the time we get to October, when the new Parliament starts, another MP

may pick up my Bill and run with it," she says. "If the public were to get behind this, people power could work."

Supporting the campaign, Iron Maiden manager Rod Smallwood says, "Something really

has to be done about the plague of secondary ticketing. This is becoming a blight on anything and everything which involves

people genuinely wishing to buy tickets at the intended price for popular events."

"Something really has to be done about the plague of secondary ticketing."

Rod Smallwood



LIVE UK
Issue 133
February 2011



Viagogo hit by Trading Standards warning and ticket-buying claims

TICKETING RESALE website Viagogo has had its knuckles rapped by Trading Standards officers for failing to issue an important disclaimer to fans.

The company listed tickets for an Alicia Keys concert at the Royal Albert Hall on 13 June, but didn't warn customers that they would need to have identification that matched the name of the original ticket buyer to get into the show.

The website now runs the twin disclaimers "Buyers of tickets for this event will be accompanied into the venue by the seller" and "Sellers of tickets for this event please note that you will be required to accompany the buyer into the venue".

A Hammersmith and Fulham Trading Standards spokeswoman says, "It wasn't explained that the person who bought the ticket originally would have to be present to get into the concert. So we

contacted them and they have now made it clear on their website."

In a statement, Viagogo tells *LIVE UK*, "All sellers have been contacted to reiterate that they must accompany the buyer into the venue and all buyers have been informed that they will be accompanied into the event by the seller."

Tickets to the AEG Live-promoted concert were being offered on the site for between £142-£217 at press time. The face value price via the venue was £60.

Meanwhile, Viagogo has admitted it buys tickets from primary sellers to be resold on its site, despite previously claiming to act purely as a fan-to-fan conduit.

An anonymous whistleblower claiming to be a former staff member alleges that staff would be called into work as tickets to popular events went on sale. He tells *LIVE UK* that staff would

call ticket lines and access websites, using company credit cards, to buy tickets before the event sold out.

He claims Viagogo would then use external brokers to re-sell the tickets on the site at a higher price, and charge sellers 15 per cent and buyers 10 per cent of the trade value.

The company, which launched in 2005, has always said it acts only as a service for people who want to sell unwanted tickets in a safe, transparent way.

"Viagogo will occasionally purchase a few tickets from the box office to ensure a customer gets the ticket they paid for," says director Ed Parkinson.

"In the rare case that the seller of a ticket has difficulty providing that ticket, Viagogo will do everything it can to find a replacement ticket, or in the worst case give a 100 per cent refund."

LIVE UK was unable to determine at press time what quantities of tickets are involved.

StubHub's plans for the UK spur 'greater regulation' campaign

SECONDARY TICKETING website pioneer StubHub's decision to move into the UK market is a sign that greater regulation of the controversial sector is needed, according to critics.

The US resale website, which was acquired by eBay for \$310 million (£212m) in 2007, has confirmed that the company will extend its reach in the next few months, providing a substantial challenge to rival online firms Viagogo and Seatwave.

"StubHub is entering a crowded online marketplace in the UK, and the fact they are willing to do so just demonstrates how much money is being made off the back of ordinary fans," says Labour MP Sharon Hodgson. "And that situation will continue unless something is done to regulate the industry."

Hodgson's Private Member's Bill to tackle ticket touting is set for a second reading at the House of Commons in October.

The Sale of Tickets (Sporting and Cultural Events) Bill would make it illegal for tickets to be resold for more than 10 per cent over face value.

"I'm not against private enterprise, and these big companies do offer some guarantees to customers, but the secondary ticket market doesn't operate in the interests of the consumer," adds Hodgson, whose campaign has the support of industry figures such as Iron Maiden manager Rod Smallwood.

Smallwood adds, "Any artiste who cares about their fans and their fair treatment abhors the plague of secondary ticketing."

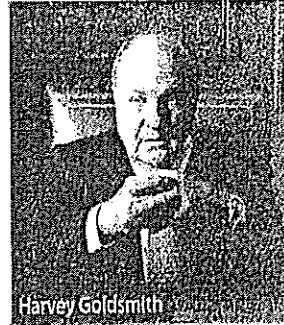
"It is appalling how many tickets become available on these websites when major concerts go on sale and one has to wonder why it is allowed to continue in this fashion"

It is also a subject close to the heart of promoter Harvey Goldsmith, who has previously taken a stand against the secondary ticketing market by using personalised ticketing.

In January, he promoted The Concert for KILLING Cancer at London's HMV Hammersmith Apollo (cap. 5,000), featuring acts such as The Who, Bryan Adams and Richard Ashcroft, for which ticket-holders were required to show a valid photo ID matching the name on the ticket.



Sharon Hodgson



Harvey Goldsmith



Joe Cohen



Eric Baker

Of StubHub's expansion, Goldsmith simply says it is "very sad" and that we "do not need them or others like them in the UK".

Viagogo's CEO Eric Baker created StubHub before falling out with co-founder Jeff Fluhr and launching the British counterpart in 2005.

Baker, who still owned a substantial stake in StubHub when it was bought by eBay, says the move will help to promote the UK's secondary ticketing market.

"This is a natural step and what you expect to happen when you're a success. I came here and made a successful business and my friends from the States are coming to visit me," says Baker. "We're selling hundreds of millions of dollars of tickets and I expect that to continue to grow."

On the challenge to his own business, Seatwave MD Joe Cohen says, "I don't get concerned about things I can't control," adding, "It's only a good thing for customers' perception of the secondary market"

Neither StubHub nor eBay were willing to comment on the project, except to confirm the move. An eBay spokeswoman denied claims in the *Financial Times* that StubHub would be looking to open high street stores to complement its online operation, adding, "That has not come from us".

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Industry luminaries in hunt for 10 per cent cap on resold tickets

LEADING LIGHTS in the live music industry were met with a warm response from Culture Secretary Jeremy Hunt after urging him to enforce a 10 per cent cap on the sale of second-hand tickets.

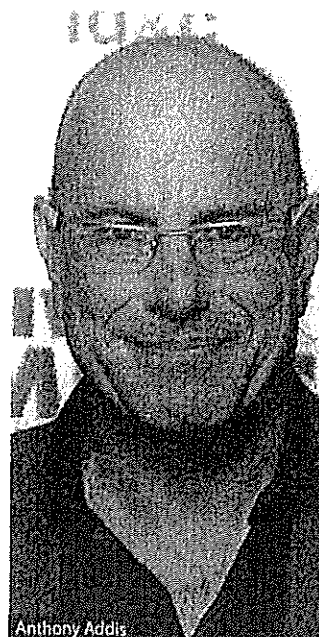
The Put Fans First campaign, launched by Washington and Sunderland West MP Sharon Hodgson on the back of a Private Member's Bill to curb ticket touting, is being supported by industry figures such as Harvey Goldsmith, Festival Republic MD Melvin Benn and Iron



Sharon Hodgson



Melvin Benn



Anthony Addis

told that the purpose of the campaign was not to remove the secondary ticket market, but to control it by law.

Campaign supporter and Muse manager Anthony Addis explains, "We're saying that a ticket can be resold, but that it should only be sold at 10 per cent on the cost of the ticket. We're not saying that a fan can't sell it to anybody."

Benn adds, "The reality is that if there isn't a cap in the market, the crooks are in the market."

men manager Rod Smallwood – just three of a strong delegate which presented their case to Hunt on 28 November.

The Sale of Tickets (Sporting and Cultural Events) Bill, which has wider support across the leisure sector, aims to regulate the secondary ticketing market, which many believe encourages profiteering from the resale of tickets.

The Bill would make it illegal for tickets to be resold for more than 10 per cent over face value.

But Hunt was unconvinced of the campaign, supporting the free market and suggesting that the industry should be able to manage the issue through its own means, such as photo ID and paperless tickets.

"He didn't rule it out in the future, however he expressed serious doubts about whether it was

needed," says Hodgson's parliamentary assistant Mike Forster. "He seemed to be quite keen on the industry using technology itself to get rid of the problem."

The group will now meet with the ticketing sector to fully understand how technology could help the cause, and to illustrate where they believe it falls short in dealing with the issue.

Hodgson says, "We were grateful for the opportunity to meet with the Secretary of State, and I think we put a strong case to him on the positive economic benefits that a cap on resale prices would bring to the live entertainment industry, as well as the social justice argument of protecting fans from being exploited."

"He definitely hasn't heard the last of this campaign," she states.

Before the meeting, the delegation had been

The meeting comes as US-based secondary ticketing website pioneer StubHub moves in the UK.

The company, which was bought by eBay for \$310 million in 2007, is expected to rival the UK's leading secondary ticketers Viagogo, Seatwave and Live Nation/Ticketmaster-owned Get Me In as it competes for a share of the market.

Those in the delegation to meet Hunt include Mike Weatherley MP, Arctic Monkeys' manager Ian McAndrew (Wildlife Entertainment), Emma Banks (Creative Artists Agency), John Jacks (K2 Agency), Claire O'Neill (Association of Independent Festivals), Simon Davies (Teenage Cancer Trust Charity), Geoff Meall (The Agency Group), Jeff Craft (X-ray Touring) and Radiohead manager and Music Managers Forum chairman Brian Message (ATC/Courtyard Management).

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Resale site Viagogo caught in another television exposé as boss denies 'fraud' claim

EXPOSE In a further exposé of alleged underhand practices by self-styled ticket marketplace Viagogo, a Danish TV documentary claims that the company digitally alters tickets in order to resell them in Denmark, where secondary ticketing is illegal.

A report by TV station DR1, fronted by journalist Jens Vithner, revealed the findings of an investigation for consumer magazine *Kontakt* on 14 August.

The programme featured interviews with UK-based Viagogo director Ed Parkinson and the company's Netherlands manager Hugo Schaper.

The documentary claims Schaper digitally alters tickets purchased by the company, removing his name and the price, to hide that he is an employee selling on the site.

"It's illegal in Denmark. It's illegal to change the tickets, to change the name and to hide the price, it's fraud," Vithner told Schaper, who retorted, "It's not fraud. We don't change the barcodes, so the tickets are real."

He said the names are changed "for privacy reasons" and the price is disguised, "because it says a lot of questions and stuff about the different price variations and everything".

The programme also alleged that Viagogo employees buy huge numbers of tickets at face value, and then sell them on to Danish music fans at two or three times the price, in contravention of the country's law against ticket resale.

It has been illegal to resell a ticket at a higher price than face value in Denmark and Norway since 2007.

"I am not in Denmark and our company is not in Denmark," Schaper told the interviewer. "If you go to a supermarket and you see an orange and you don't want to pay the price, you don't pay the price."

Allegation denied

Viagogo director Parkinson, who has been employed by the company since 2007, said, "Of course when a customer is looking for a ticket for a concert they should investigate every ticket offer. We are a marketplace, so we don't necessarily have the cheapest price always for a ticket. It might be cheaper to buy from the box office."

"We are always very clear with the price that you've paid and the face value, so it's not company policy, absolutely not company policy, to change the name or to hide the price," he insists.

"We have identified an issue which is in a certain market and we will absolutely look into it, because



it's not company policy."

Asked how often his employees bought tickets in advance, Parkinson said, "The answer should absolutely be never, because we are running a marketplace. We are not buying and selling tickets, so if, as in this case you have identified, it's taking place, it is something we are putting an end to."

However, on 23 February in the UK, a Channel 4 television documentary, *Dispatches: The Great Ticket Scandal*, secretly filmed Viagogo staff talking about purchasing bulk tickets with multiple credit cards (see *Audience* issue 146).

We don't change the barcodes, so the tickets are real

Hugo Schaper

The programme also revealed that about 30 per cent of its business came from industrial-scale touts and, perhaps more shockingly, a further 30 per cent came from a handful of major promoters and artists, for resale at vastly inflated prices, under the guise of being fan-to-fan sales.

At the time, Viagogo and rival resale website Seatwave described themselves as platforms for purely fan-to-fan activity, but both have since abandoned that claim.

Liquidation move

Previously registered at London offices, Viagogo changed its name to Consolidated Information Services on 22 March and, four days later, the renamed firm was put into the hands of liquidators, with liabilities of more than £30.5 million (\$48.8m) and an agreement that they would be paid off within a year (see *Audience* issue 148).

Its registered office was then announced as Viagogo AG in Switzerland, with its website asking for mail correspondence to be sent to a Geneva post office box.

Meanwhile, relative newcomer to the UK market, eBay-owned US resale giant StubHub, has already attracted national media attention, with the *Daily Mirror* alleging that the company hosted a promotional meeting for ticket touts.

The newspaper, which has a circulation of more than one million, reported on 20 September that "some of the UK's biggest ticket touts" attended StubHub's London office for its "first-ever UK seller event", after being courted by the firm.

The article featured photographs of people it claimed were leading ticket touts, entering and leaving the company's office.

A StubHub spokeswoman said the event was a "focus group", designed to "gather constructive feedback", but she admitted StubHub offered discounted introductory rates to a "select number of sellers with a proven track record".

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Double Government warning for ticket touts and resale websites

AMPAIGNERS AGAINST

ticket abuse hope that industrial-scale and insider ticket touts have been dealt a blow by amendment to the Consumer Rights Bill that requires more transparency from ticket sellers.

Following a Coalition government U-turn on the issue (see LIVE UK issue 182), and some extensive horse-trading behind the scenes between MPs and peers, the House

Commons voted through the compromise amendment on 9 March and it could come into force as early as July.

By coincidence, and amid claims of "misguided" action and "a deal done behind closed doors", the Competition and Markets Authority (CMA, formerly the Office of Fair Trading) has published new guidelines and an open letter to secondary ticketing businesses, after concluding what it says as a three-year investigation.

Issued on 16 March, the letter to resellers reads, "We strongly recommend that you keep your practices under review ... and you keep up to date with changes in the law."

"A failure to do so could have significant consequences and result in enforcement against you by either the CMA or Trading Standards Services."

The CMA's guidance was either near identical to that required in the Consumer Rights Bill amendment or, as some have claimed, understates its authority.

Labour MP Sharon Hodgson, who co-chaired the All Party Parliamentary Group on Ticket Abuse with Conservative MP Mike Weatherley, described the CMA's timing as "foolhardy and misguided".

"I believe this timing undermined Parliament



Sharon Hodgson MP



Mike Weatherley MP



Lord Tim Clement-Jones

and actually potentially damaged the cause at a time when it should have been bolstering it," she tells LIVE UK.

"I was disappointed that this was a deal done behind closed doors with the secondary platforms that could have been much stronger had it been subjected to proper scrutiny."

Weatherley adds, "The agreement they [the CMA] made with secondary ticket people has diluted what we wanted to achieve," but confirmed that new legislation will take precedence over CMA guidance.

A CMA spokesman refutes any conflict with the amendment.

"There is no friction at all as reflected both in our support of the amendment to the Consumer Rights Bill and the Government's public references to the CMA's work in the sector. We view the amendment as complementary to what we have done."

He says a report from its three-years of research was not available, as it had used "discrete enforcement" rather than mounted a wider investigation.

"We have sent advisory letters to approximately 65 others [businesses] we identified as operating in the sector with the aim of drawing their

attention to the issues raised by the CMA's work," says the spokesman.

Speaking in the House of Commons on getting the amendment approved, Hodgson said, "As more and more fans are being ripped-off by touts and more people are deprived of the chance to see their favourite acts, it is only through this amendment that we can hope to put the interests of fans first."

"Greater transparency is never a problem for a market that is operating properly, only for those attempting to abuse it."

Among strident supporters of the amendment was Liberal Democrat Lord Tim Clement-Jones who declared the amendment, "a significant step towards tackling the scourge of touts, and putting fans first."

Accompanying the legislation will be a year-long statutory review, which will examine the secondary ticketing market, its business models, insider touting, profiteering and the effect on music and sports fans.

"It might mean more legislation, or less, or we could introduce an Ombudsman," Weatherley notes.

"We have always said there is room for a secondary market, whether it's a fan who can't make a show or a band wanting to make as much money as possible, but are honest about it."

Meanwhile, it has been revealed that the CMA investigated four companies, the identity of which it declines to disclose, using powers under the Enterprise Act 2002, and agreed a change in working practices without the need to go to court.

Photo © Richard Gray @rugfoot

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been locked in an intense fight to win the contract to manage the venue, when the current one expires on 31 October (see *Audience* issues 177 and 178).

"Despite false assertions made in an aggressive, political-style campaign waged by Nederlander/AEG,

that move was overruled by Los Angeles City Council, which voted 11 to 7 against awarding the contract to the global giant.

In an exclusive interview with *Audience*, CLA Recreation and Parks Department assistant general manager Vicki Israel says, "The depart-

nederlander concerts CEO Rick Hodges explains, "Mr James M Nederlander got involved with The Greek in 1975 when it was losing money, and he turned it into a profitable venture for the city on our own. Later on the Nederlanders were offered contract renew-

als and the company presenting concerts at the venue, but declined to comment further.

Artistes playing The Greek in the coming weeks include Hot Chip, Jackson Browne, Joe Bonamassa, Yes and Toto, Lauryn Hill, Lenny Kravitz, Ben Howard and Garbage.

Promoters call for anti-ticket tout laws

SWITZERLAND Promoters have called for tougher consumer protection laws in the fight against secondary ticketing and websites such as Viagogo, whose worldwide headquarters is in Geneva.

Members of the Swiss Music Promoters Association (SMPA) have called for the Government to help tackle touts and inflated ticket prices on resale sites.

"It's a big issue right across Europe, but especially for us in Switzerland," says SMPA board member Dany Hassenstein, who is also an organiser of the Paleo Festival Nyon (cap. 35,000).

"Paleo sells out very quickly every year and a lot of people can't get a ticket, but then see them selling on Viagogo for much higher prices," he tells *Audience*. "It reflects badly on us and people accuse us of not doing enough to stop it, which is why we need help from the Government and laws against it."

He says existing consumer protection laws require the terms and conditions and face value of a ticket to be displayed, but there is no law against

breaching the terms and conditions.

"We are doing everything we can, such as negotiating with Parliament, and it would be nice to have a European wide study on what is the best way to tackle the problem and introduce some laws to back us up."

However, he says printing names on tickets is not the entire solution.

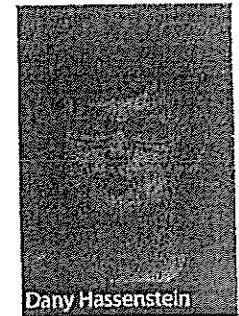
"If you have one person buying for a lot of friends they might not know everyone's name and what if someone is ill? The system needs to let you change names easily."

Hassenstein says he is aware of insider trading, promoters profiting from anonymously selling tickets at inflated prices on the secondary market, but believes that's a matter for self-regulation.

"Promoters are not angels and have to take responsibility for playing a fair game, but consumers should be aware of who the good guys are," he adds.

"Consumers should be aware of who the good guys are"

Dany Hassenstein



Dany Hassenstein

Jul 2015, AUD (186)

Widespread outrage at Ticket Scandal revelations and secondary deception

Dismay as huge extent of promoter involvement uncovered

FEELINGS OF outrage and shock have swept parts of the live music business and wider industry, following Channel 4's *Dispatches: The Great Ticket Scandal* programme, broadcast on 23 February.

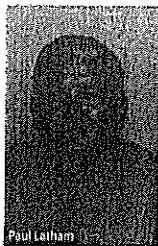
Undercover reporters working inside the offices of secondary ticketing websites Viagogo and Seatwave filmed staff talking about receiving ticket allocations from promoters such as Live Nation, SJM Concerts and Metropolis Music, to tout at inflated prices under the guise of being sold by the public.

Viagogo made at least one failed attempt to take out an injunction against Channel 4, to prevent the programme being aired.

Dispatches also revealed the systematic purchase of tickets by Viagogo employees using multiple credit cards and addresses, and a huge amount of business fed through from touting firms, which Seatwave calls "power sellers".

The two websites have always professed to be purely fan-to-fan facilities, but it appears that less than a third of their business is from the public. The rest is either from promoters or industrial-scale touts, who may also get allocations from promoters, venues or ticket agencies.

"This has taken the lid off the fundamental dishonesty of some promoters, motivated by greed," says one senior figure at a leading booking agency speaking to *LIVE UK* on condition of anonymity.



"These are dishonest practices. They've been exposed for all to see and, sadly, the fans can see it too."

Iron Maiden manager Rod Smallwood, a vociferous opponent of secondary ticketing, says, "The programme was alarming because it showed the depth of deception used and blatantly crooked activity, such as having wads of credit cards to buy tickets."

MP Sharon Hodgson, author of last year's failed Private Members' Bill to cap the mark-up on secondary tickets, who was featured in the programme, has since asked the Office of Fair Trading to investigate the companies involved.

Meanwhile, PRS For Music is reviewing whether performance royalties were paid on the mark-ups, which amount to hundreds of thousands of pounds.

Artistes complicit?

Metropolis co-founder Bob Angus and SJM's Simon Moran declined to comment to *LIVE UK*, but Live Nation Chief Operating Officer International Paul Latham was more forthcoming.

"We never list tickets for the secondary market without consulting the artiste and management. The three of our shows that were mentioned by the programme - Rihanna, Will Young and Westlife - were all listed with the management's approval."

"This is sometimes done to limit the excesses of the secondary market. We never make more than five per cent of the total number of tickets available this way," reveals Latham.

Asked whether it was dishonest to market these tickets as fan-to-fan sales, he says, "I'm not responsible for [the site's] advertising. I expect whoever is will look at that bit of their advertising and address it in the fullness of time."

LIVE UK also asked Latham whether Live Nation had paid PRS royalties on the additional income raised via the sales. "I wouldn't have

thought so," he replied. "It would have been put on the [face value] manifest price."

The Concert Promoters' Association (CPA) is in a statement, "The secondary market is effectively being used as a premium price primary market for those fans who wish to use it. We ensure that those fans who are prepared to pay premium would be happier that the premium went to the artiste via the promoter, rather than to a tout."

Why it would be necessary to disguise the fact that promoters and artistes are actually touting their own tickets was not made clear.

But CPA chairman Stuart Littlewood adds, "I ask all our members to abide by the CPA code of conduct, which encourages them to deal fairly honestly and with integrity at all times." The association has its annual general meeting on March, which Littlewood expects will be "lively".

An urgent board meeting called by the Music Managers' Forum (MMF) on 28 February produced the following statement from CEO Jon Webster.

"We're concerned about transparency. V have no issue with [promoters] selling the golden circle for £2,000 per ticket, as long as the act's manager agrees and the customers are aware of what's going on," he says.

"It is down to individual [MMF] members whether they say to promoters, 'If you're doing business like that, we don't want to do business with you: if you cannot persuade people, you could name and shame.'"

With another ticketing exposé by a nation newspaper rumoured to be imminent, no might be the time for those involved in touting their own tickets to decide how they want to be remembered, especially by the younger generation of agents, managers and artistes, let alone the wider business community.

As one industry veteran, who wished to remain anonymous, says, "If there's nothing wrong with selling face value tickets for two three times as much, then why hide behind so-called secondary website - be open about it. Tell the fans you want them to pay extra for the tickets you've skimmed from general sale."

Viagogo and Seatwave were unavailable for comment as *LIVE UK* went to press.

To watch the *Dispatches* programme, visit www.channel4.com/programmes/dispatches



The numbers

DISPATCHES REVEALED that among more than 50,000 tickets allegedly given to Viagogo by promoters for primary sale, were the following:

Take That tour

29,000 sold, raising an extra £1.4 million over face value.
Promoter: SJM Concerts.

Coldplay tour

9,000 sold, based on 1,000 per show.
Promoters: SJM Concerts, Metropolis Music.

Coldplay, The 02 (9/12/11)

1,865 tickets at £65 + booking fee, (face value) sold for an average of £122.96 each.
Promoters: SJM Concerts, Metropolis Music.

V Festival 2011

4,500 tickets with an overall face value of £620,000 sold for a 50 per cent mark-up.
Promoters: SJM Concerts, Metropolis Music, MCD.

Westlife 2012

3,000 sold.
Promoter: Live Nation.

Rihanna 2012

2,200 sold.
Promoter: Live Nation.

X Factor Live

800 sold.
Promoter: 3A Entertainment.

Primary concerns

PRS For Music, which collects performance royalties for songwriters and music publishers, is looking into whether the promoters named in the programme have paid their three per cent royalty on the mark-up revenue. "If a ticket is sold on a secondary ticketing service and it is the

primary sale, then a royalty is payable at the value of the sale price, less allowable deductions such as VAT," a PRS spokesperson tells *LIVE UK*.

"Promoters who use secondary ticketing services in this way should report these sales as part of their PRS returns."

Ethical action

IRON MAIDEN manager Rod Smallwood says protecting fans from exploitation is "down to artistes and managers".

"Those who are moral and care about their fans need to find suitable methods of ticketing and like-minded promoters," he says.

"On Maiden's US tours, we do paperless tickets for all the prime positions and sell about 100,000 that way, to prevent them from getting into touts' hands."

Mark Melharry of direct-to-fan services company Music Glue, which works with Mumford & Sons on anti-touting initiatives, says, "The technology is available to prevent tickets being traded, but parts of the industry seem reluctant to adopt these systems - we can understand why."

Radiohead's hatred of touting is expressed by co-manager

Chris Hufford of Courtyard Management, "Secondary ticketing is wrong on so many levels and, as management with ultimate responsibility for the welfare of the band, we must ensure that their fans are treated fairly," he says.

Ethical services company Sandbag will be selling a substantial number of tickets for the next tour through the band's fanclub.

"We plan e-tickets with a maximum of two per purchase with the holder's names, then swap them for wristbands on the night after an ID check," says Sandbag's Christian Munro.

"The remaining tickets will also be strictly controlled. The band's aim is to bring about zero touting."

See The Ticket trust news story on page 7

Inside story

EXCERPTS OF conversations with Viagogo staff recorded on camera by *Dispatches* undercover reporters.

"We have a whole primary team that deals with the promoter and the venues. It's really important that we never communicate to anyone that these accounts exist."

"I'd say maybe 50 per cent of the venues know, but a lot of the time we have to keep it secret... because it's like, really, it's shady. If we don't have an allocation, then we do buy them, which is highly illegal."

A Viagogo team leader, speaking about "power sellers" (touting operations), "The sellers are kind of partners, suppliers to us. They know our names and we deal with the same people every day... there's professional sellers, doing it full time."

Effect of resale sector continues to raise concern across Europe

REPORT As the secondary ticketing sector's battle for endorsement and market share continues unabated across Europe, there is increasing concern at its practices and the impact on the industry's relationship with music fans.

It was Channel 4 television's *Dispatches: The Great Ticket Scandal* programme in the UK on 23 February that shocked the British music industry, revealing underhand practices by so-called secondary websites Viagogo and Seatwave, and several leading promoters who feed the sites tens of thousands of primary tickets for sale under the guise of fan-to-fan transactions.

Campaning against ticket routing, Mure manager Anthony Addis says he is in no doubt who the driving forces are behind most of these allegations.

"The tickets are put [on the sites] at the request of the managers and artists. They couldn't prove anything on the programme, but that's what happens," he says, calling for managers and artists to clean up their act.

Arctic Monkeys manager Ian McAndrew agrees, saying, "The secondary business is increasingly leaving music fans exploited, confused and angry."

Established in 2006, Viagogo claims to be Europe's largest online ticket marketplace, operating in 26 countries with local offices in France and the Netherlands and its headquarters in the UK.

Also launched in 2006, rival Seatwave says it operates in Austria, Belgium, France, Germany, Ireland, Italy, the Netherlands, Spain, Switzerland and the UK.

Both have now abandoned the claim on which they built their businesses of being purely fan-to-fan exchanges and say they are simply ticket marketplaces.

Meanwhile, US resale giant StubHub, which is owned by eBay and which officially launched in the UK in March, intends to roll out its business to the rest of Europe and open retail outlets.

Seatwave already has a UK outlet adjacent to AEG's flagship arena The O2 (cap. 20,000) in London, and has plans to expand the concept across Europe.

Concerted effort

In France, it took four years of lobbying by promoters, festival organisers and venue operators' association Prodios to convince the Government to protect the public from exploitation.

A new law forbids anyone from habitually selling or exchanging tickets without the permission of the event organiser, with a €15,000 (\$20,034) fine for anyone breaking the law.

Prodios spokeswoman Aline Renet says the term "habitually" is crucial: individuals are still able to

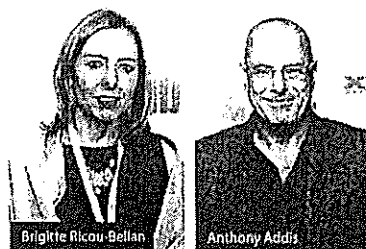
“It's a huge problem and our audiences are being cheated”

— Live Nation Legal, Feb 2012

trade tickets through websites such as Viagogo, she explains, but the law can come into effect if a promoter can prove that someone is regularly selling significant numbers of tickets.

"What will need to happen is for two or three cases to go to court, so that a legal precedent can be set on how many tickets is too many," says Renet.

StubHub's UK-based general manager, international, Brigitte Ricou-Bellan says secondary



ticketing agents are likely to appeal against the law. "It's not a good thing for us," she adds.

In Norway and Denmark, it has been illegal to sell tickets at greater than face value since 2007, but, according to Live Nation Denmark (LND) MD Flemming Schmidt, that doesn't stop ticket resellers.

"Viagogo is the primary operator here," says Schmidt. "We don't give them tickets, but I can see that they have some for our shows right now. It's a huge problem and our audiences are being cheated."

At press time, tickets with a face value of 415-770 kroner (\$74-138) for the LND-promoted Coldplay concert at Copenhagen's Parken Stadium (50,000) were on Viagogo for 781-2,789 kroner (\$140-500).

It was the supply of around 9,000 Coldplay tickets to Viagogo by UK tour promoters that figured prominently in the *Dispatches* TV programme.

Head promoter at Live Nation/Mojo Concerts in the Netherlands Rob Trommelen says Viagogo and Seatwave both operate there, but are seen as less of a problem than independent touts.

Although the company struck a deal with Viagogo in 2007 to create its own Live Nation Ticket Trade platform, whereby a ticket's validity was checked, qualified and a fresh one sent to

the new buyer, Trommelen says, "We have a big campaign here, together with the clubs, teaching our audiences that they have to buy tickets through the right channels."

Live Nation Poland's Steven Todd says, "There is not really a secondary market here in Poland as resale at a profit is a criminal offence."

The law, which is part of the country's Petty Theft Code, states that anyone who buys tickets with the purpose of reselling them at a profit for artistic, entertainment or sports events will be "subject to arrest, restriction of personal freedom or a fine."

However, Viagogo and Seatwave have significant operations in Germany. Last year promoter Scummick Sabottka of MCT Agentur made all tickets to Take That's three German shows personalised, so that fans had to produce photo ID (see *Audience* issue 132). But some tickets were still listed for resale.

The company looked at taking legal action against Viagogo at the time, but then the website closed its Munich office.

"We are still fighting them and our lawyers are looking at whether we should proceed with a legal case but, now they are operating here through the UK, it is much more difficult," says MCT's Nicole Jacobson.

Meanwhile, since 2004, MC-promoted arena act Rammstein has handled all its own ticketing in Germany, with all 190,000 tickets for last year's *Made in Germany* tour personalised with the ticket-buyer's name to prevent touting.

While Viagogo, Seatwave, StubHub and the

“We have a big campaign here... teaching our audiences that they have to buy tickets through the right channels”

— Rob Trommelen

Ticketmaster-owned GetMeIn in the UK will only survive, if they can encourage mass secondary ticketing, while persuading promoters and artist managers to feed them additional supplies, only a few voices in the live industry appear to be calling for transparency and respect for the concert-going public.

However, the continuing debate is helping many to examine their own views of the merits of using 'ticket marketplaces' to extract more money from live music fans.

SEPT 2012, Luk (152)

14

AIF plans anti-touting campaign

THE ASSOCIATION of Independent Festivals (AIF) is preparing to publish a what it calls its Fair Ticket Charter, to campaign against secondary ticketing and the exploitation of festival tickets by speculators.

It is understood that AIF has secured more than 50 signatories to the Charter, from member festivals including Bestival, Green Man, End of the Road, Secret Garden Party and WOMAD, as well as booking agencies X-ray Touring and Coda, and Radiohead.

The Charter calls on secondary ticket sellers to "cease and desist selling tickets for events we [AIF members] control" and states that the signatories commit to adopting ticketing processes and technologies that "ensure tickets reach the hands of real fans rather than touts".

It stresses the need for government legislation against ticket touting and calls on the industry to do more to protect music fans.

No one at AIF was available to comment as LIVE UK went to press.

StubHub branded 'hub for touts' by *Daily Mirror*, while Viagogo is accused of 'fraud' by Danish TV

EBAY-OWNED US ticket resale giant StubHub has attracted national media attention, with the *Daily Mirror* alleging that the company hosted a promotional meeting for ticket touts.

The newspaper reported on 20 September that "some of the UK's biggest ticket touts" attended StubHub's London office for its "first-ever UK seller event", after allegedly being courted by the firm.

The article featured photographs of people it claimed were leading ticket touts, entering and leaving the company's office.

"We have 12 years' experience as America's largest and most successful secondary ticket site, and we're ready to continue that success here in the UK," stated invitations to the event from StubHub's senior manager of European supply Simon Buck, reported the *Mirror*, which has a circulation of more than a million.

"We're passionate about our sellers, and that's why we're holding StubHub's first-ever UK seller event."

A StubHub spokeswoman told the newspaper the event was a "focus group", designed to "gather constructive feedback", but she admitted StubHub offered discounted introductory rates to a "select number of sellers with a proven track record".

Labour MP Sharon Hodgson, a campaigner for the regulation of the resale ticketing sector, says fans are "being ripped-off on an industrial scale".

"Sites like StubHub market themselves as fan-to-fan exchanges, but in reality most of their business comes from acting as a conduit between the professional touts and the fans they deprived of the chance to buy face-value tickets in the first place," she says.

"[Channel 4 documentary] *Dispatches* exposed Viagogo and Seatwave for cultivating 'power sellers' earlier in the year, and now we know that StubHub operate on the same basis. At the very least, these sites need to be transparent about who is selling what tickets and how they acquired them, so that fans can make an informed decision.

"However, I believe we have got to the point where only a maximum mark-up of 10 per cent will stop these professionals buying-up so many tickets, and I will continue trying to convince the government to put fans first and take action on ticket touts," says Hodgson.

Viagogo denies fraud

Meanwhile, in a further expose of alleged underhand practices by self-styled ticket marketplace Viagogo, a Danish

TV documentary claims the company commits "fraud" and digitally alters tickets in order to resell them in Denmark, where secondary ticketing is illegal (see *Audience* issue 152).

A report by TV station DR1 revealed the findings of an investigation for consumer magazine *Kontant* on 14 August. The documentary claims Viagogo's Netherlands manager Hugo Schaper uses Photoshop to alter tickets purchased by the company, removing his name and the price, to hide that he is an employee selling on the site.

Schaper said the names are changed "for privacy reasons" and the price is disguised, "because it says a lot of questions and stuff about the different price variations and everything".

The programme also alleged that Viagogo employees buy huge numbers of tickets at face value, and then sell them on to Danish music fans at two or three times the price, in contravention of the country's law against ticket resale.

"It's illegal in Denmark. It's illegal to change the tickets, to change the name and to hide the price, it's fraud," Vithner told Schaper, who retorted, "it's not fraud. We don't change the barcodes, so the tickets are real."

London-based Viagogo director Ed Parkinson, when asked how often employees bought tickets in advance, told the interviewer, "The answer should absolutely be never, because we are running a marketplace. We are not buying and selling tickets. So if, as in this case you have identified, it's taking place, it is something we are putting an end to."

However, the same denial was given in February, when *Dispatches: The Great Ticket Scandal* was broadcast. Programme makers had secretly filmed staff in Viagogo's London office talking about purchasing bulk tickets with multiple credit cards.

The documentary also revealed that about 30 per cent of Viagogo's business came from industrial-scale touts and a further 30 per cent came from a handful of major promoters and artistes, for resale at inflated prices, under the guise of being fan-to-fan sales.

Viagogo changed its name to Consolidated Information Services on 22 March and, four days later, the renamed firm was put into the hands of liquidators, with liabilities of more than £30.5 million and an agreement that they would be paid off within a year (see *LIVE UK* issue 148).

Its registered office was then announced as Viagogo AG in Switzerland, with its website asking for mail correspondence to be sent to a Geneva post office box. Activity and staff at its London office appeared to remain unchanged.



Sharon Hodgson



Ed Parkinson

Mumfords condemn secondary market after their fans are sold fake tickets

HUNDREDS OF concert-goers were turned away from a Mumford & Sons event at Portsmouth Guildhall (cap. 2,228), after buying fake tickets online from Viagogo, Seatwave and other outlets.

The Portsmouth Cultural Trust, which took over management of the venue in April last year, notified police of the problem following the sell-out 22 November concert and has put measures in place to address the issue.

"Sadly, tickets have been created that copy the design of our old ticket stock which we recently discontinued," says a Guildhall spokesman. "All customers who are currently in possession of genuine tickets for future shows, which were from the old Guildhall ticket stock, are requested to pop in to the Guildhall in order to swap them for tickets from our new ticket stock."

"The public is urged to only buy tickets from the venue or from legitimate online ticket agents in order to avoid



buying counterfeit tickets and, if necessary, to obtain a list of accredited ticket agents from the venue before parting with their money."

Viagogo director Ed Parkinson told BBC News those affected would receive free tickets to another Mumford & Sons gig or a voucher to the value of the original purchased tickets.

Parkinson says the refund can be given as it is company policy to only release money to sellers a few days after the show, to ensure all parties are satisfied. He told the BBC that the firm will work with police to find those responsible.

Joe Cohen, founder and CEO of Seatwave, says, "We are aware of two instances where Seatwave customers

were turned away from the gig. In line with our ticket integrity policy we immediately refunded these fans in full.

"We are conducting an internal enquiry and will be happy to share the results."

Mumford & Sons also posted statements on their website condemning the secondary market and urging fans to only buy tickets from official outlets.

"As musicians and gig-goers ourselves, we hate seeing tickets for our shows up on sites within minutes of going on sale, at double and triple face value, just as much as you do," the statement says.

"In the absence of government legislation, the best we can promise you is to do everything we can to make the ticket-buying experience as fair and affordable as possible, and to work with promoters and ticket-selling companies to keep tickets out of the secondary markets."

DEC 2012, Lark (155)

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JAN 2013, Luk (156)

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Three accused of £3m ticket scam

THREE MEN have gone on trial accused of swindling thousands of music fans in a £3 million tickets scam.

Andrew Lagan, 49, David Rolls, 48, and Gary Agar, 44, allegedly offered non-existent tickets for sale over the internet and processed the payments through the account of their company, Good Time Entertainment (GTE).

Harrow Crown Court heard events targeted included shows by Paul McCartney and Kings of Leon, Scotland's T in the Park festival (cap. 85,000), the V Festivals (87,500 and 85,000) and the Benicassim (40,000) festival in Spain.

According to the *Daily Mail*, jurors were told that after payments were made, the money was either siphoned

off into accounts in Budapest or Thailand, or withdrawn in cash.

Prosecutor Toby Fitzgerald said: "They created 100 per cent profit for themselves, because they took the money without providing anything in return."

The prosecutor said the offences were committed between November 2009 and October 2010, with the combined loss to customers said to be more than £2.9m.

Rolls of East London, Lagan of Middlesbrough and Agar of West London, each deny two counts of conspiracy to defraud and one count of converting or transferring criminal property.

The trial continues.

StubHub takes over eBay's UK ticketing

UNITED KINGDOM eBay will stop selling concert and festival tickets on its UK website and divert its significant re-sale business to the UK arm of StubHub, the secondary ticketing operation it acquired for \$310 million in 2007.

With approximately 500,000 tickets for sale at any one time on eBay, it is a bold move aimed at strengthening StubHub's position in the UK market.

eBay has already begun carrying adverts for StubHub and by June, all concert ticket listings will have been removed and potential customers redirected to StubHub, which launched in the country last April and has been fighting to take

market share from its main rivals Viagogo, Seatwave and Live Nation Entertainment-owned Get Me In.

StubHub UK's general manager international Brigitte Ricou-Bellan denies claims that the move is an attempt to bolster a struggling business and emphasises that the company is still in its first year in the UK and enjoyed 100 per cent growth during the last quarter.

"We have been in the US for 12 years, but in the UK we are a start-up, it takes a while to build, but this initiative will help accelerate our growth," she tells *Audience*. "With eBay migration and

partnerships in the pipeline we expect to be in a market leading position within a year."

On moving eBay users to StubHub, Ricou-Bellan says, "It is a soft migration experience that will be supported by a lot of communication to explain why we taking over the sales."

Unlike eBay, where it is free to list tickets, StubHub charges the seller and buyer up to a total of 25 per cent of the transaction value.

"Ticketing is a specialised market place, we have better tools to list tickets and monitor price and we also offer fulfilment and ticket delivery options that eBay does not," she says.

Jan 2013, Aud (157)

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Police call for legislation against abuse of tickets

Report cites 'tickets diverted straight to secondary sites'

THE METROPOLITAN Police has called for legislation to crack down on a secondary ticketing market it claims supports widespread criminal activity and is worth at least £40 million a year in the UK.

The strongly worded *The Ticket Crime: Problem Profile* report was released by Operation Podium, a unit set up to tackle serious and organised economic crime affecting the London 2012 Olympic and Paralympics Games. The unit will be disbanded at the end of March.

The Government has failed to take action to crack down on ticket crime, claiming that there is little evidence of criminal involvement or market failure in the ticket resale sector. But the Police report contradicts that.

Detective Superintendent Nick Downing, who has led Operation Podium says that "criminals involved in [ticket fraud] are also highly likely to be involved in other crimes."

The report is based on Operation Podium's findings over the last two-and-a-half years and concludes "the lack of legislation outlawing the unauthorised resale of tickets and the absence of regulation of the primary and secondary ticket market encourages unscrupulous practices, a lack of transparency and fraud."

The police findings outline that the paucity of legislation in this area "enables fraud and places the public at risk of economic crime" and recommends that "consideration must be given to introducing legislation to govern the unauthorised sale of event tickets".

The report says that due to the "surreptitious way that large numbers of primary tickets are diverted straight

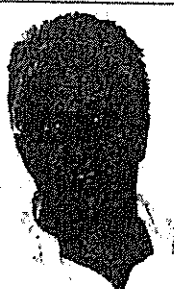
onto secondary ticket websites, members of the public have little choice but to try to source tickets on the secondary ticket market."

As a result it recommends regulation of the primary and secondary ticket market be introduced to ensure transparency in order to "allow consumers to understand who they are buying from and affording them better protection from ticket crime."



"We can't just allow this to continue unchecked."

Sharon Hodgson MP



"The report... dispels the idea that there is any other way to tackle this other than legislation."

Melvin Benn



"Action needs to be taken and that can't be done without legislation."

Mike Weatherley MP

hard now for the Minister not to take this on board and legislate," Hodgson tells *LIVE UK*.

Conservative MP Mike Weatherley has also been proactively lobbying Government to take action against ticket abuse and led a Parliamentary debate following the broadcast of Channel 4's *Dispatches: The Great Ticket Scandal* last year (see *LIVE UK* issue 146), which uncovered nefari-

ous issues to address and action needs to be taken and that can't be done without legislation."

Ticket security expert Reg Walker of Iridium Consultancy has been investigating the secondary market for the past decade and describes the report as "the most damning indictment of an industry by the police that I have ever seen".

Festival Republic MD Melvin Benn, who organises the Reading, Leeds and Latitude festivals and is a vociferous opponent of ticket abuse, believes that the published report is a "sanitised version" of police findings, but nevertheless says it is a "very significant statement".

"The report suggests around £10m in VAT is being lost each year and absolutely dispels the idea that there is any other way to tackle this other than legislation," states Benn. "The Government is very interested in letting the free market determine what happens and this report illustrates the result of that; it is enabling the criminals to get away with absolute fraud."

Hodgson vows to continue lobbying the Government and is pushing for anti-tout legislation to be incorporated in the Labour manifesto. "I have been lobbying the Shadow Business Secretary Chukka Umunna for the past couple of years and he totally gets it now, so if there is a change of Government hopefully legislation will be introduced."

"We can't just allow this to continue unchecked, now there is no Operation Podium, it is going to be like the Wild West out there because there will be no one policing the secondary market," says Hodgson.

It appears the report was initially suppressed and only published after Labour MP Sharon Hodgson asked questions in the House of Commons, as to why the Home Office and Department for Culture, Media and Sport classed it as being "operationally sensitive", when it had been clearly marked "for publication".

"The report probably took the Government by surprise, and it will be

ous practices at secondary ticketing operations Viagogo and Seatwave.

Weatherley describes the report as a step in the right direction. "The Government has not acknowledged that there is an issue to address whatsoever in the past, and even though it had the Olympics example, it refused to implement that example elsewhere," he says.

"This report makes it clear there are

Ticketmaster to grow its resale operations

WORLD Ticketmaster (TM) has signalled its intention to increase its activity in the controversial secondary ticketing sector, after appointing Christoph Homann as MD of TM Resale, International, based in the UK.

Homann joins from eBay, where he was director of its UK B2C business. He will be responsible for expanding TM's resale operations across Australia, New Zealand, Denmark, Finland, France, Germany, Ireland, the Netherlands, Norway, Spain, Sweden, Turkey and the UK.

"TM doesn't currently have resale operations in all of the markets, but is seeking to expand," a spokeswoman for the company confirms to *Audience*. "Christoph's job is to maintain an overview of resale in all of Ticketmaster's territories, even where they aren't directly active at present."

Mark Yovich, president of TM International,

adds, "Christoph will play an integral part in our expansion in the resale market internationally, which includes our UK resale site GETMEIN! We know that fans

like resale and often look to resale marketplaces to find tickets for sold out shows."

The Live Nation Entertainment-owned firm faces a battle for market share from rivals Viagogo, which says it operates in 34 countries, Seatwave – active in 12 territories, and eBay-owned StubHub, which is well-established in the US and launched in the UK last year.

Earlier this month, eBay moved all concert ticket reselling from its UK website to StubHub in a bid to strengthen the resale operation.

Opponents of ticket resale activities and so-called ticket marketplaces say they facilitate industrial-scale ticket abuse and are used by some promoters and artistes to anonymously tout their own tickets to fans for large mark-ups.



Mark Yovich

TICKET ABUSE Arrests and yet another scandal

Fans and websites duped in mass fraud Police alerted as 2,000 fake tickets confiscated

A HUGE fraud involving fake tickets sold through so-called ticket marketplaces has been uncovered.

More than 2,000 counterfeit e-tickets have already turned up and been confiscated from shocked concert-goers, with the overall scam thought to have netted the perpetrator more than £1 million.

Among venues affected are The O2 (cap. 17,000) in London and Birmingham's LG Arena (15,000), for shows featuring artists such as Beyoncé, Neil Young and Crazy Horse, Depeche Mode and Bruno Mars. More than 90 people had their tickets seized and were turned away from Neil Young's concert at The O2.

All of the fraudulent tickets are believed to have been bought in good faith by customers via resale websites such as Viagogo, Seatwave, Ticketmaster's Get Me In! and eBay-owned StubHub.

It is suspected that the counterfeit tickets emanated from a single source using multiple identities, who earned

himself – perhaps with associates – favoured seller (also called power seller) status with the websites, after trading normally for several months.

Despite assuring buyers that they only pay sellers after the event, some websites encourage power sellers to make more trades by paying them on despatch of tickets with a courier such as UPS.

So when the fraudster decided to pull-off the scam, he was appar-

"If ticket-buyers want the ultimate protection, then they should buy only from a primary agent"

Phil Mead

ently able to continue collecting money from unsuspecting buyers until the websites realised the extent of the rip-off, as complaints arrived at increasing numbers. By then the fraudster had slipped away.

If the sale of the scam is the size that sources suggest, then apart from the misery experienced by thousands of

tricked concert-goers – some travelling from overseas – it could cost the resale sites hundreds of thousands of pounds in refunds and replacement tickets.

Most offer firm guarantees to buyers, such as 'every ticket is absolutely guaranteed' (Seatwave), Viagogo guarantees every transaction, and back them with the promise of refunds in the ticket happens to be invalid and irreplacable.

However, at least one site has refused a refund without produc-

tion of the fake ticket, which was confiscated at the venue. Another has emailed buyers suggesting they check their tickets, perhaps having identified the alleged former power seller, and therefore his victims.

One of those who has reported the fraud to the police is Reg Walker, operations director of security

specialist The Indium Consultancy, whose clients include venues and promoters across the country. He tells *LIVE UK*, "This appears to be a huge, well-planned scam and any website reselling e-tickets they can't validate is vulnerable to this type of fraud."

It's a sentiment echoed by Phil Mead, director of arenas at the NEC Group, which runs the LG Arena. "If ticket-buyers want the ultimate protection, then they should buy only from a primary agent," he says.

As the extent of the fraud continues to unravel, *LIVE UK* contacted the leading resale sites, but only Get Me In! would acknowledge the problem.

A statement from the company says it is "aware of an issue relating to the validity of some tickets for the recent Beyoncé shows at The O2" and that it is "working with the police to investigate the matter." At least one other site is believed to have also contacted police and a whistle-blower is also helping with information.

Bank accounts frozen following three arrests

THAMES VALLEY police has confirmed to *LIVE UK* that a number of arrests have been made in the Milton Keynes area, involving the alleged acquisition and resale of event tickets.

A 32-year-old man and a 61-year-old woman, both from Milton Keynes, were arrested on suspicion of conspiracy to breach the Consumer Protection from Unfair Trading Regulations 2008 and conspiring to commit fraud by false representation, under the Fraud Act 2006.

They were released on bail to appear at Milton Keynes Police Station on 3 September.

A 20-year-old man, also from Milton Keynes and believed to be related to the other two, was arrested and released on bail to appear at Milton Keynes Police Station on 2 September.

The arrests were made as part of an ongoing investigation by Milton Keynes Council's trading standards office (MKTS).

It is believed that the arrests relate to tickets worth hundreds of thousands of pounds being bought and sold through resale websites.

The investigation was instigated

following a complaint from Reg Walker of Indium Consultancy, one of the UK's leading experts on ticket fraud and irregularities.

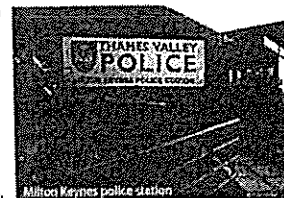
It is understood that MKTS has also obtained a restraining order under section 41 of the Proceeds of Crime Act 2002, resulting in the suspects having computers seized, bank accounts frozen

and tickets impounded.

Police and trading standards officers declined to comment while the investigation is underway, but an insider tells

LIVE UK, "This is a landmark action and has sent the touting world into a panic. If successful, with several other cases apparently in the pipeline, this could devastate the secondary market and threaten the future of some prominent resale websites."

Another source, active in the resale sector, says that if the suspects are found guilty, the ramifications for those exploiting concert tickets could be huge, not only for the touts and websites facilitating their trade, but also for those promoters and artists touting their own tickets to music fans.



Milton Keynes Police Station

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Newsbite

A 24-year-old woman died after collapsing at a Stone Roses concert at Glasgow Green (cap. 50,000). A Police Scotland spokesman says, "Emergency services attended and the woman was treated at the venue before being taken to Glasgow Royal Infirmary, where she was pronounced dead." There are not believed to be any suspicious circumstances. Meanwhile, 24 people were arrested in connection with alleged anti-social behaviour and drug offences at the DF Concerts-promoted event on 15 June.

Meanwhile MPs call for action

NEWS OF the unconnected arrests and fraud emerged shortly after the All-Party Parliamentary Group on Music agreed to urge select committees to re-examine the legislation on secondary ticketing.

A recent parliamentary hearing described the practice as "shady" and "profiteering".

Earlier this year, a Metropolitan Police report called for legislation to crack down on a secondary ticketing market it claims supports widespread criminal activity (see *LIVE UK* issue 158).

The strongly worded *Ticket Crime: Problem Profile* report concluded "the lack of legislation outlawing the unauthorised resale of tickets and the absence of regulation of the primary and secondary ticket market encourages unscrupulous

practices, a lack of transparency ... and "places the public at risk of economic crime".

After its publication, anti-ticket abuse campaigner Sharon Hodgson



Sharon Hodgson



Mike Weatherley



Melvin Benn

MP said, "We can't just allow this to continue unchecked", while fellow MP and fair ticketing advocate Mike Weatherley added, "Action needs to be taken and that can't be done without legislation".

Festival Republic MD Melvin Benn, promoter of the Reading (cap. 87,500), Leeds (75,000) and

Latitude (35,000) festivals, agreed, "The report ... dispels the idea that there is any other way to tackle this other than legislation".

It was just over a year ago that Channel 4's *Dispatches: The Great Ticket Scandal* (see *LIVE UK* issue 146) used undercover reporters to reveal nefarious practices, including promoters and artists touting their own tickets, at Viagogo and Seatwave.

Last year the *Daily Mirror* accused StubHub of being a 'hub for touts', after an investigation by the million-selling newspaper identified "some of the UK's biggest ticket touts" attending the company's London office on 20 September, after allegedly being courted by the firm (see *LIVE UK* issue 153).

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ISSUE 162
JULY 2013

TICKET ABUSE BBC programme accuses websites of 'misleading the public'

A BBC Radio 4 investigation has accused the four leading so-called ticket marketplaces of misleading music fans.

Broadcast on 25 July, consumer affairs programme *You and Yours* highlighted the huge ticket fraud exposed last month by *LIVE UK* (issue 162), and focused on the user guarantees given by Viagogo, Seatwave, Ticketmaster-owned Get Me In! and eBay-owned StubHub.

The fraud, believed to be the work of one person working with accomplices, has seen thousands of fans turned away from concerts and is estimated to have netted the perpetrator more than £1 million.

"The firms all claim they can guarantee the validity of every ticket sold through their sites" and "make promises they can't keep about the security of buying concert and event tickets from them", said presenter Winifred Robinson.

The programme interviewed victims who had bought tickets for shows by Depeche Mode and Kings of Leon through Seatwave and Get Me In! respectively, only to find they were fakes when they arrived at the venue.

It also explained the power seller scenario, by which the companies' top touts are paid on dispatch of tickets or when the buyer receives them, and that the fraudster allegedly earned himself that status, using multiple identities.

It quoted what it said was a copy of Viagogo's frequent seller programme, dated last March, which explained, "People may qualify for early payment if they sell more than £10,000 worth of tickets per quarter and more than 90 per cent of their tickets get the customer into the concert."

Declining to discuss the sum the fraud has cost Viagogo so far, after the presenter suggested it might be as much as £500,000, Parkinson said, "At times when we have to find replacement tickets or we have to refund customers and provide compensation, it comes at a cost."

"We take that risk, we take that responsibility and we protect consumers from these kinds of fraudsters," he added.

James Williams of City of Westminster Trading Standards said, "The word guarantee means it's a promise or assurance that if you book through them ... you're guaranteed to get a ticket that you can use, obviously, to see the performance."

"If this is happening and if they are duplicate e-tickets on pieces of paper, then there's no guarantee you're going to get in. So that statement cannot be true, it's not worth the paper it's written on."

Co-chairman of the parliamentary all-party music group Mike Weatherley MP told the programme that paying sellers before the event must stop. "I'd like to ban secondary ticketing, [but] in the absence of being able to do that, don't pay on to the final person until after the concert, because that's the only way to protect the consumer," he said.

The National Fraud Authority's ActionFraud website reports that overall ticket fraud cost the

public more than £2.7 million in 2012. Almost half of that occurs during the summer, with 53 per cent of that related to music events.

Meanwhile, as *LIVE UK* went to press, *The Independent* reports MPs of all parties, with the support of music promoters and bands including Iron Maiden and the Arctic Monkeys, are pressing for Government action on the secondary ticketing market.



Ed Parkinson



Mike Weatherley

The guarantees

Guarantees every transaction

You will receive the ticket you ordered, valid for entry

You will receive the tickets you ordered

Your tickets will be valid for entry

TICKET ABUSE INQUIRY MPs form All-Party Group to investigate ticket abuse

GOVERNMENT ACTION on ticket abuse could move a step closer following the formation of an All-Party Parliamentary Group (APPG) to investigate the so-called resale sector and ticket marketplaces, and industrial-scale touting that also involves promoters and artistes.

The six-strong group of MPs is made up of co-chairmen Sharon Hodgson and Mike Weatherley, who are both outspoken critics of ticket abuse, vice-chairmen Andrew Bingham, Kerry McCarthy, Steve Rotherham and Nigel Adams.

"The APPG is the next step in building a cross-party consensus on the need to enable event organisers to protect their tickets and customers from being exploited by touts," Hodgson tells *LIVE UK*.

"Hopefully the APPG and the inquiry we'll be running in the New Year will become a way for MPs to explore these issues and raise them up the political agenda, and push for legislation to support the live event sector," Hodgson has long called for a 10 per cent cap on the amount a ticket can be resold for above face value.

Earlier this year, a huge fraud, thought to have netted the perpetrator more than £1 million, was uncovered involving fake tickets sold through so-called ticket marketplaces

(see *LIVE UK* issue 162), while security specialist Reg Walker of The Iridium Consultancy said more than 3,000 counterfeit tickets, sold on platforms such as Seatwave and Viagogo, had turned up at major venues over the past few months.

Scandal continues

Weatherley led a parliamentary debate following the broadcast of Channel 4's *Dispatches: The Great Ticket Scandal* in February 2012 (see issue 146). The documentary secretly filmed Viagogo staff talking about buying bulk tickets with multiple credit cards and revealed that about 30 per cent of its business came from industrial-scale touts. Perhaps more shockingly, a further



Mike Weatherley



Sharon Hodgson

of the free market: the ability for the market to respond to demand by increasing supply."

The recent sale of tickets for Monty Python's reunion shows at The O2 also attracted a string of negative headlines in national newspapers after thousands of tickets turned up on secondary websites at vastly inflated prices just minutes after going on sale.

The *Daily Mail* ran a double-page

sophisticated computer software to grab as many tickets as possible before real fans can access them."

Following an inaugural meeting of the APPG on Ticket Abuse in December, inquiry sessions have been set for 29 January, 5 February, 26 February and 5 March in the House of Commons, to hear from the resale sector, live events industry and consumers, with a meeting reserved for technology and solutions.

The group is seeking the participation of experts and interested parties and is also seeking to try to secure a 90-minute Westminster Hall debate on ticket abuse when Parliament returns this month.

Suspect re-bailed

A 33-year-old man from Milton Keynes has been bailed by police until later this month after being arrested last year on suspicion of conspiracy to breach the Consumer Protection from Unfair Trading Regulations 2008 and conspiring to commit fraud by false representation, under the Fraud Act 2006.

The arrest, made as part of an ongoing investigation by Milton Keynes Council's trading standards office (MKTS), is understood to be related to the alleged acquisition and resale of event tickets.

Hopefully the inquiry will become a way for MPs to push for legislation

Sharon Hodgson

30 per cent came from major promoters and artistes, including SJM Concerts, Live Nation Entertainment, Coldplay and Take That.

"Some of my colleagues have suggested that trying to regulate ticket touting is interference in the natural free market," says Weatherley. "However, to say this is to misunderstand one of the key principles

spread with the headline, "The Great Monty Python Swindle," and asked, "How is it humanly possible to sell 20,000 tickets in less than three-quarters of a minute? It seems that far from facilitating simple ticket exchanges between fans, these 'secondary marketplaces' are little more than trading grounds for technologically savvy touts, who use

Ticket fees slammed in Which? report

AN INVESTIGATION by consumer campaigner Which? has accused ticketing agencies of hitting customers with "hidden" and "unclear" fees.

Registered as a charity and including its flagship magazine of the same name, it has launched the Play Fair on Ticket Fees campaign, calling for all compulsory charges to be shown upfront, for them to be set at a "fair level" and a clear explanation given of what they're for.

"Consumers tell us they are feeling ripped-off by the level of ticketing charges and the lack of transparency means it is almost impossible for people to compare prices when booking online," says Which? executive director Richard Lloyd.

Researchers looked at 15 music,

comedy and theatre events across the country with 20 ticketing companies, and say they uncovered extra charges of up to more than a third of a ticket's face value.

It cited a £25 ticket sold by See Tickets for a Jimmy Carr show at Wolverhampton Civic Hall (cap. 3,000), which had a £3 booking fee plus a £6.50 delivery fee – almost 40 per cent of the ticket value – as representing the biggest mark-up.

Music examples it provided include a £45 ticket for Barry Manilow's show at Manchester's Phones 4u Arena (15,000), sold by Eventim with an additional £7 booking fee and £2.50 delivery charge – amounting to a further 21 per cent cost.

Which? also listed See as selling

tickets for Dolly Parton at The SSE Hydro (13,000) in Glasgow and The Wanted at Bournemouth International Centre (6,250), with additional charges representing 18 per cent and 17 per cent of face value respectively, while there was a 27 per cent mark-up on a ticket for Rizzle Kicks at the O2 Academy Bristol (1,700), sold via Gigantic, says the report. The figures have not been disputed.

See was one of seven companies, with Ticketmaster (TM), Stargreen, Ticket Soup, Ticketmaster-owned TicketWeb, BH Live Tickets and ATG Tickets, that the report claims don't always reveal the exact cost of their additional fees before point of payment, making it difficult for

customers to compare the cost of tickets between different companies.

See CEO Rob Wilmshurst declined to comment but a TM spokesperson says, "To suggest that ticket fees are hidden is utterly misleading and factually incorrect. Before a customer purchases a ticket, any additional fee is always displayed clearly."

However, WeGotTickets founder Dave Newton says, "We've been banging the drum for greater transparency in ticketing since we began, so we welcome this campaign with open arms."

Newton adds that since forming the company 14 years ago he has maintained that a maximum 10 per cent per ticket booking fee, with no additional charges, is a fair price.

Secondary ticketing companies decline MPs' invitation to inquiry

THE FIRST evidence session of the All-Party Parliamentary Group (APPG) on ticket abuse had to be cancelled after not one of the so-called ticket marketplaces was able to send a representative to attend.

It was due to have taken place at Westminster Hall on 29 January, but the four principle companies – Viagogo, eBay-owned StubHub, Seatwave and Live Nation Entertainment/Ticketmaster-owned GetMeIn! – all declined the invitation, saying they had no one available, despite several weeks' notice.

The meeting was to have followed the group's first debate at the House of Commons the previous week. One insider commented, "They were clearly running scared and didn't want to face direct questioning on their practices."

Ticketmaster spokesperson tells *LIVE UK*, "We were unable to make the date of the session due to pre-existing travel plans and business commitments, and we were not offered any alternative."

"Along with our ongoing investment in technology and people, we want to be clear that we will be part of any solution to perceived issues in the sector and have offered to appear at the APPG in the future to discuss this."

Viagogo and StubHub both said they had no representative available, the latter's spokesperson Fiona Chow adding, "We did offer to submit written evidence but have yet to receive any such request." Seatwave is yet to comment.

Labour MP Sharon Hodgson, the APPG's co-chairman, told those attending the debate, "The inquiry will go on, and over the coming months we will hear from the live events industry and consumers, as well as those who do whatever they can to prevent the exploitation of events by resellers."

The six-strong group of MPs consists of Hodgson, co-chairman Mike Weatherley, vice-chairmen Andrew Bingham, Kerry McCarthy,

TICKET ABUSE

Steve Rotherham and Nigel Adams.

Hodgson, who also recently featured on BBC Radio 4's *Today* programme to discuss ticket abuse, continued, "As I did my research and more people supported my campaign, I met more stakeholders in the live events industry and became increasingly aware of the real concern that this kind of parasitical practice is detrimental to our creative industries."

Conservative MP Weatherley added, "It can often be practically impossible for the target fans to access the event, so they are forced to rely on an artificially created secondary market,

and the content creators – and the Treasury – are deprived of revenue from the event. That is unacceptable."

However, the APPG ran into opposition from other MPs present. "The premise that [Hodgson] starts from is false," claimed

Conservative MP Philip Davies. "She believes that, by definition, all ticket touting and all reselling of tickets must be done at a profit, but ticket touts can make a loss – some 50 per cent of the tickets sold on Viagogo are sold at face value or below."

"If the issue is so massive for event promoters and organisers, why do they not take the steps within their capability to try and deter the market? As far as I can see, it is all crocodile tears."

Market failure?

After hearing the debate, Helen Grant, the Minister for Sport and Equalities at the Department for Culture, Media and Sport, outlined the Government's position. "Although the Government has no plans to introduce new

regulations on the ticketing and events market, we continue to encourage improvements so that all customers have an opportunity to purchase tickets and can do so in a secure, safe and proper environment," said the Conservative MP.

"We believe that it is for event organisers, together with the professional ticketing organisations, to determine suitable arrangements for ticket sales to their various events. That is why my officials have had extensive discussions with both the event organisers and the ticketing organisations such as Ticketmaster."

"Where the Government differ from some of the opinions expressed today is in the belief that the best way to achieve improvements is through legislation. Our view is that the best way to do that is by building effective safeguards into the ticketing processes."

"The Government has previously stated that unless there is proper evidence of market failure, there is no need for us to take action. We still believe that to be the case, but we will keep the position under careful review."

Further APPG sessions have been set for 26 February and 5 March in the House of Commons, but Christoph Homann, MD of Ticketmaster Resale International, claims the initial debate showed there was "clearly no political appetite to impose unnecessary regulation on the resale market."

"Calls for over-zealous regulation of resale are old hat, the debate has moved on," says Homann. "We want to focus on working with politicians, consumer and retail groups on how we make a self-regulated market work."

All APPG members have also been invited to take part in a roundtable discussion with the live event industry at the Ticketing Technology Forum conference at the Wembley Hilton on 19 March.



Sharon Hodgson



Christoph Homann

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Ticket abuse panel hears of impact across all live entertainment sectors

UNITED KINGDOM The first evidence session of the All-Party Parliamentary Group (APPG) on Ticket Abuse heard representatives from the worlds of concerts, festivals, theatre and sport report the negative impact of the so-called secondary market on their respective sectors.

Kilimanjaro Live CEO Stuart Galbraith, Association of Independent Festivals (AIF) general manager Paul Reed, Angus Bujalski of the Rugby Football Union and the National Theatre's chief operating officer Lisa Burger, all spoke at the session, held at Westminster Hall on 5 February.

While the vast majority of the industry is vehemently against it, some acts, some bands, choose to provide tickets to the secondary market," acknowledged Galbraith, while AIF's Reed confirmed, "Our members are united that we don't work with the secondary market."

The APPG has been set up by six Members

of Parliament (MPs) – Sharon Hodgson, Mike Weatherley, Andrew Bingham, Kerry McCarthy, Steve Rotherham and Nigel Adams (see *Audience* issue 168).

The meeting came a week after the first scheduled session was cancelled when the four principle ticket marketplaces – Viagogo, eBay-owned StubHub, Seatwave and Live Nation Entertainment/Ticketmaster-owned GetMeIn! were all unable to provide a representative to attend.

However, Ticketmaster International MD of Resale Christoph Homann says he would welcome the chance to appear before the committee at a later date. "I have always made clear my enthusiasm to appear before the All-Party Parliamentary Group, so that they can hear both sides of the argument on resale.

"Cynics might say that a lot about the group – from its title, to its terms of reference, to the witnesses it is calling – reflects a closed mind as to the reality of fan demand for ticket resale," he says.

Meanwhile, Weatherley has announced plans for a separate inquiry later in the year into the touting of tickets for music concerts. The APPG Music will begin with a call for evidence in the summer and formal evidence sessions beginning in the autumn, an is intended to report in 2015.

"I hope that this inquiry will lead to much-needed improvements which are acceptable to the whole industry," says Weatherley.

The Ticket Abuse APPG's investigation, on the other hand, aims to report by the end of March, in time to influence and inform amendments to the Consumer Rights Bill currently before the House of Commons.



Stuart Galbraith



Paul Reed



Mike Weatherley MP



Christoph Homann

New venue for Ibiza EDM summit

GERMANY Dance music industry gathering the International Music Summit (IMS) is moving to Ibiza's Hard Rock Hotel for its seventh edition from 21-23 May.

Previously held at the Ibiza Gran Hotel, organisers say the bigger venue will provide more options to use the island's new music hub Playa D'en Bossa.

"We've been in the same hotel for the five years but we needed a bigger space for the platform to grow into, and this is a venue right at the heart of most of the action on the

island," IMS partner Ben Turner tells *Audience*.

"We launched IMS because we felt electronic music had become all about the party, with not enough focus on the business. EDM has grown and expanded into new territories, and IMS has grown with it.

"It's a mix of showcases, gigs for consumers and very high level music speakers," says Turner. "Our focus is very much around the tagline of Filtering the Future and is a reflection of what's happening in the musical landscape."

Around 800 delegates are expected at the

event, which punctuates the start of the Ibiza season, with a two-night IMS Gran Finale at 2,500-capacity Dalt Vila club.

Last year also saw the launch of IMS Engage in Los Angeles, attended by around 200 people which included speakers such as Lady Gaga's then manager Troy Carter and Swedish House Mafia manager Amy Thomson. The second edition will take place at the W Hotel West Hollywood on 16 April.

Delegate admission costs from €360 (\$491 for Ibiza IMS and \$260 for IMS Engage. Speak details will be announced shortly.



Ben Turner

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Council could sell NEC Group and arenas

THE NEC Group, which owns Birmingham venues LG Arena (cap. 15,700) and NIA (14,500), as well as The Ticket Factory, could be sold off by Birmingham City Council to help meet the authority's equal pay liabilities.

The council faces legal claims totalling more than £1 billion after agreeing settlements with thousands of women who were paid less than men who

did equivalent jobs.

Selling the group, which also includes the NEC and International Convention Centre, is among the options being considered to fund its shortfall of £550 million.

MD of arenas Phil Mead was unavailable for comment as *LIVE UK* went to press, but an NEC Group spokesperson says, "As has been previously announced, Birmingham City Council is actively reviewing the

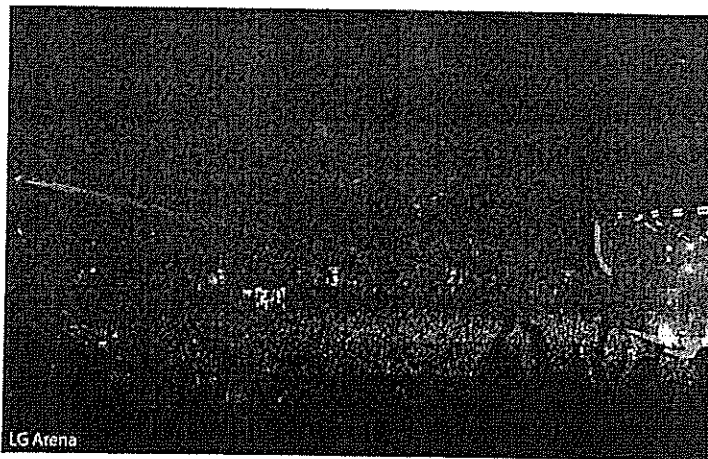
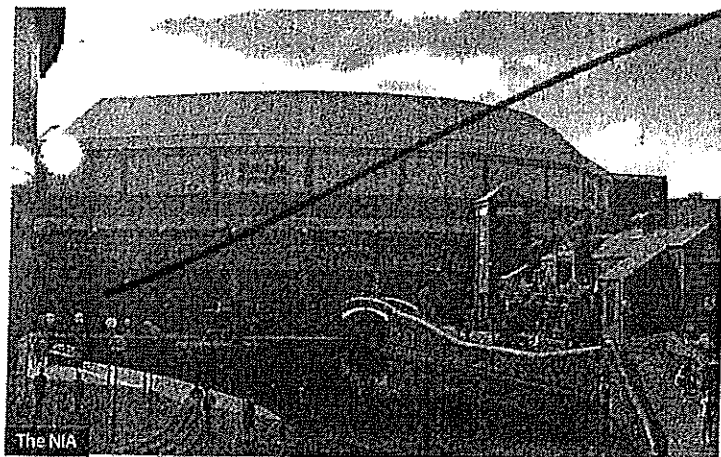
opportunity to realise the strategic potential of the NEC Group, which is wholly-owned by the Council.

"No decision has yet been taken regarding a potential sale."

The 22-year-old NIA is undergoing a revamp, due to be completed later this year, which will provide a new showcase entrance, improvements to the backstage area and extra public space (see *LIVE UK* issue 154).

It is remaining open while the work takes place, with upcoming shows including Michael Bublé, Miley Cyrus and Lady Gaga. The LG Arena has concerts with Beyoncé, Katy Perry and Eagles.

A council spokesperson says the local authority has already raised £76m over the past two years from selling surplus land and assets, and that the programme of reviewing options continues.



Shadow Minister says secondary ticket sellers should be identified

THE SHADOW Minister for Competition and Consumer Affairs has called for the introduction of transparency measures through the Consumer Rights Bill, currently before the House of Commons, which would make so-called ticket marketplaces disclose who is selling an individual ticket.

Labour MP London Walthamstow Stella Creasy made the bid in the public bill committee debate on 13 February and scheduled to continue on 25 February. His call for transparency echoes that of Conservative MP Mike Weatherley several weeks earlier, when he suggested in a Westminster Hall debate that ticket sellers should be identified, along with the ticket being offered.

Referring to secondary ticketing sites, Creasy said, "Such companies get away with selling tickets that are meant to be sold for a particular price at a much more inflated price, at great

detriment to the consumer, because they are not named sellers. The ability of any trader to avoid responsibility for infringing someone's rights is a loophole that we want to close.

"The amendment [to the Bill] would ensure that the named

practices, a lack of transparency and fraud."

Meanwhile, the All-Party Parliamentary Group (APPG) on Ticket Abuse will hold its final evidence session on 5 March and is due to report its findings on the impact

went to press, focusing on the impact of ticket abuse on the consumer.

The panel comprised Jason Freeman of the Office of Fair Trading, Mark McClaren of consumer campaigner Which?, Reg Walker of Iridium Consultancy and Tottenham Hotspur supporter Martin Cloake, a member of the Stop StubHub campaign which is calling on the club to end its agreement with the eBay-owned company.

The APPG's first evidence session was cancelled when the four principle ticket marketplaces – Viagogo, StubHub, Seatwave and Live Nation-owned GetMeIn! – were unable to send a representative. The first meeting to go ahead heard from representatives from concerts, festivals, theatre and sport, including Kilimanjaro CEO Stuart Galbraith and Association of Independent Festivals general manager Paul Reed.



“The absence of regulation of the primary and secondary ticket market encourages unscrupulous practices”

Stella Creasy MP

trader who gave their address is the person selling the goods, and not an intermediary," she said. "The lack of legislation outlawing the unauthorised resale of tickets and the absence of regulation of the primary and secondary ticket market encourages unscrupulous

of the so-called secondary market by the end of the month – in time to influence and inform amendments to the Consumer Rights Bill.

Set up by six MPs (see *LIVE UK* issue 168), the APPG's third evidence session was due to take place as *LIVE UK*

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25
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TICKET ABUSE

Final APPG panel hears from Ticketmaster resale head

TICKETMASTER Resale International (TMR) MD Christoph Homann appeared before MPs during the third and final evidence session of the All-Party Parliamentary Group (APPG) on Ticket Abuse.

Live Nation Entertainment-owned TMR, which operates the GetMeIn! resale site, was the only one of the four major so-called ticket marketplaces to accept the invitation to speak openly before the panel. The other three – Viagogo, Seatwave and eBay-owned StubHub, declined to participate, although a Viagogo representative met with APPG members in private.

Homann, who joined TMR from eBay in June last year, is responsible for expanding TMR's operations across Europe, Australia and New Zealand.

He appeared at the Westminster session on 5 March alongside Christiaan Munro of Sandbag, which co-founded The Ticket Trust with the Association of Independent Festivals, and Richard Davies of fan-to-fan Twitter-based ticket exchange Twickets, which allows users to sell spare tickets at face value or less, free of charge.

Davies, who said Twickets facilitates more than 200,000 transactions per year, told the hearing that ticket abuse meant customers were not seeing a "free market" in action on other secondary sites, but a "manipulated one".

"What we've learnt primarily, is that there is a real appetite for a fair secondary platform," he said. "Clearly, we don't believe that we're going to remove or

change the secondary market and it would be naïve to think we can have that sort of effect. But what we can provide is a fair alternative to those existing platforms. Our growth in audience has purely been through word-of-mouth."

Munro, whose company has provided ticketing for several Radiohead tours, claimed, "There's an entrenched



Christoph Homann



Sharon Hodgson



Christiaan Munro

cultural acceptance that it's now fine to buy four tickets and sell two [at a markup] to fund your night out.

"Although it might be legal to do this, it's morally abhorrent. It's an outrage that we're allowing, through technol-

“There is a real appetite for a fair secondary platform”

Richard Davies of Twickets

ogy, folk to be ripping-off their peers. It's the wheeler-dealer culture that's so easy through the immediacy of the internet and the anonymity."

But Homann insisted, "Tickets sell out because there is more demand than there is supply and that may at times encourage people ... to resell those at a higher price. It's a very clear trade-off for those people to say 'look, I'd like to go to that event but if somebody's willing to pay me more than I paid for it by a factor of my own choosing, that compensates me adequately."

Panel co-chairman Labour MP Sharon Hodgson raised the issue of the huge

fraud reported last summer (see *LIVE UK* issue 162), in which more than 3,000 counterfeit e-tickets were confiscated from concert-goers in a scam thought to have netted the perpetrator more than £1 million.

It is suspected that the fraudster gained favoured seller status by trading normally for several months thereby receiving payment in advance of the event, before issuing the fake tickets.

Asked if the company paid so-called "power-sellers" in advance, Homann, who explained that the company tended to call them brokers, said, "We try to tailor our payment terms to whatever is most conducive to making sure that ticket ends up with the buyer."

Hodgson was also asked whether GetMeIn! worked with a named ticket reseller currently under investigation for allegedly touting up to a million worth of tickets a year including 1,000 for the O2 Direction's tour.

"I wouldn't want to comment on any individual case anybody where there's a strong suspicion of illegal activity, wouldn't trade on our platform," replied Homann.

However, he added, "We don't think it's our role to question each and every customer about how he got those tickets because we know the majority, 99.9 per cent of our customers, have not engaged in such activity."

Established by six MPs (see issue 168), the APPG Ticket Abuse was set up to report its findings as *LIVE UK* went to press, in time to influence any amendments to the Consumer Rights Bill.

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Ticket abuse report calls for transparency

THE ALL-Party Parliamentary Group (APPG) formed to investigate ticket abuse has produced a raft of recommendations to protect fans and increase transparency in the so-called resale sector.

Its report calls for event organisers, primary ticketing agencies, secondary ticketing outlets and the Government, "to reform the market to ensure it operates in the interests of fans, and supports the long-term development of the live events and creative industries".

Among recommendations are that secondary outlets should be legally required to publish details of the ticket being offered, give information about the seller and declare where tickets are being listed by event organisers themselves.

Instances where a seller is trading in more than 20 tickets for one show should be investigated by the website, say the MPs, which should also guarantee the victims of ticket scams not only a refund, but the cost of travel to and from the event.

"The whole industry needs to be much more open," says MP Mike Weatherley, the APPG's co-chairman. "Consumers deserve to know which tickets they're buying and who they're buying them from."

"Nobody's saying there shouldn't be a secondary market, but it needs to work in the favour of consumers

and the creative sector, not of a few faceless individuals getting rich off the hard work, investment and talent of others."

The 17-page report follows a series of evidence-gathering sessions held at Westminster Hall. Speakers included professionals from music, sport and theatre, as well as Ticketmaster (TM) Resale MD Christoph Homann - the only representative of

None of the Big 4 currently provide information on the ticket seller, with Viagogo's Ed Parkinson insisting that consumers did not need this information. The report quotes the company as saying it would not publish that information "because it could be used by event organisers to enforce the terms and conditions of their contract with the individual reselling the ticket, leaving it liable to be cancelled".

GET ME IN! and Viagogo both confirmed taking allocations directly from event organisers, while StubHub said they did not and Seatwave declined to answer.

Conservative MP Weatherley, who is also intellectual property advisor to the Prime Minister, was one of six founding members of the group, alongside MPs co-chair Labour's Sharon Hodgson and vice-chairs Andrew Bingham (Con), Kerry McCarthy and Steve Rotherham (both Lab), and Nigel Adams (Con).

Consumer rights

The MPs now plan to table amendments to the Consumer Rights Bill, which is due to be debated in the House of Commons this month, to regulate the market.

"The complete lack of transparency in the secondary ticketing market contributes to consumers getting

ripped-off, whether that's through artificially high prices or buying or cancelled tickets," says Hodgson.

"There's no excuse for inaction from either the secondary market, the Government, and I hope Mini will use the Consumer Rights Bill to put fans first."

The MPs are also calling on event organisers to do more to prevent their tickets being harvested by bots as well as establish refund and of exchange systems for ticket-holders who find they can't attend event.

The report says resale websites should stop paying favoured publishers before tickets have been successfully used, to prevent the kind of large-scale ticket frauds seen in the past 12 months.

Concluding, the report says if the secondary market is confident that so many people are happy to pay face value, they should have a problem displaying this information [including face-value price] clearly on each ticket.

Weatherley, who led a parliamentary debate following a broadcast of Channel 4's *Disappearance of the Great Ticket Scandal* in Feb 2012 (see *LIVE UK* issue 168), announced a follow-up inquiry - APPG on Music, to investigate ticketing for music events. Evidence sessions will begin in the autumn, with a report intended for 2015.



Consumers deserve to know which tickets they're buying and who they're buying them from

Mike Weatherley MP

the Big 4 ticket marketplaces - Live Nation Entertainment/TM-owned GET ME IN!, Seatwave, Viagogo and eBay-owned StubHub - to accept the invitation to be questioned publicly by the panel.

However, the report notes that Viagogo, StubHub and Seatwave all contributed to the investigation in private.

Transparency

StubHub, Viagogo and GET ME IN! said they welcomed transparency in general, but stopped short of endorsing all the APPG's recommendations. Seatwave, in a written submission, declined to answer whether they supported greater transparency and rejected the premise that the secondary market on the whole lacked transparency.



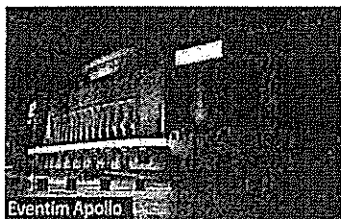
Sharon Hodgson

Kate Bush ticket measures hailed a success

TICKETING RESTRICTIONS have been put in place for Kate Bush's upcoming residency at London's Eventim Apollo (cap. 5,630) in a bid to reduce the excesses of the secondary market.

SJM Concerts is promoting the 22-date *Before the Dawn* run from August to October, the singer's first live shows since 1979. Tickets cost between £53.90 and £145.50, with hospitality packages at £424.50, and sold out in 15 minutes.

Eventim sold the majority of the allocation, with tickets also available on Ticketmaster, See Tickets and SJM's own Gigsandtours.com website.



Tickets were limited to four per order and the name of the lead buyer will be printed on each ticket. They will be asked to present photo ID to gain entry to the venue and any guests must arrive with them.

"[SJM director] Simon Moran wanted a way to stop tickets going on the secondary market and we

had previously employed the same method for a one-off show by Billy Joel at the Apollo which he had promoted, and it was very successful," Eventim UK chairman Nick Blackburn tells *LIVE UK*.

Moran was unavailable for comment as *LIVE UK* went to press, but despite the measures, tickets to the shows were on sale for up to £1,750 on Viagogo and £900 on Seatwave, the latter advising, "Tickets will need to be collected from Seatwave at a location in Hammersmith on the night of the concert. Full details of the



Nick Blackburn

collection point and collection times will be communicated well in advance."

However, Blackburn points out that only 100 tickets out of the 800 sold had appeared on resale sites. "The measures severely restricted the amount of tickets that gone onto the secondary market and we are very happy that has been achieved."

Bush, who does not have an agent, is managed by former Eventim MD David Munns, the co-chairman of music therapy charity Nordoff Robbins.

TICKET Government issues guidelines a Watchdog reports on touting trad

SECONDARY TICKETING was under the television spotlight again in a multi-part investigation by BBC consumer rights programme *Watchdog*.

The 21 and 28 May broadcasts featured interviews with interested parties such as Labour MP and co-chairman of the All-Party Parliamentary Group on Ticket Abuse (APPG) Sharon Hodgson, Viagogo director Ed Parkinson and StubHub international general manager Ricou-Bellan.

Hodgson, who has called for a 10 per cent cap on the sale of tickets above face value, said, "There should always be a resale mechanism but if you have got a cap, then why would anyone buy up huge quantities of tickets if they can't sell them on at a huge profit? To me that's an immediate fix, but whether I can get it through [parliament] is a tougher question."

Security expert Reg Walker of Iridium Consultancy told the programme, "We have seen a massive escalation in the numbers of counterfeit and invalid tickets sold through these so-called safe platforms. From March to December last year we had 3,600 people turn up at The O2 having purchased counterfeit and invalid tickets through these sites."

The investigation focused on so-called "speculative ticketing" – sellers

advertising tickets they do not have, with the intention of acquiring some once they have found buyers willing to pay a sizeable mark-up.

The programme featured the story of a woman who had to be refunded after using Viagogo to buy four Arctic Monkeys tickets which never arrived, and tickets which do not yet exist being offered for next year's Rugby World Cup.

In an interview with the show's host Anne Robinson, Viagogo's Parkinson insisted, "Anyone selling a ticket on our marketplace has to register their credit card. We can charge them if things go wrong and we don't pay them until the buyer has successfully been to the event. You can't make money selling fraudulent tickets on Viagogo."

StubHub's Ricou-Bellan said, "It's impossible to verify each and every ticket but I can tell you that it's safe to sell and buy on StubHub. We have a very limited number of cases where things go wrong and, if it happens and if that case you are highlighting is in fact speculative ticketing, and the tickets are not made available, we would make sure the tickets are either replaced or a full refund is provided."

Both companies said they had removed all identified speculative ticketing from their sites following

the investigation. *Watchdog* has also set up a viewers' poll, asking whether the "second-hand" ticket market should be regulated.

Meanwhile, Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs Jenny Willott MP has issued a response to a series of new clauses to the Consumer Rights Bill, tabled by members of the APPG, which had been debated in the House of Commons.

Willott informed MPs that the Government had issued guidance to secondary ticketing websites, making it clear that sellers would be required to provide seat numbers, and in some cases the face value of the ticket, from now on.

Conservative co-chairman of the APPG Mike Weatherley says, "This is the first concession from the Government that there is a real problem with transparency in the secondary market, and the publication of this guidance represents a welcome, although limited, step forward."

"Secondary ticketing websites now have a month to ensure that they comply with these new responsibilities, and I hope they accept the need to do so," he says.

Hodgson and Weatherley written to the main secondary ticketing platforms to press to comply with the new conditions which come into effect 13 June.

In addition, the MPs are continuing to call for further measures the Government on transparency and consumer protection, and scheduled meetings with the culture secretary Sajid Javid, Home Office minister Karen Braintree to press the need for further changes to how the secondary market is regulated and policed.

In an unconnected event, Th Valley Police confirmed the 33-year man from Milton Keynes area that been arrested on suspicion of conspiracy to breach Consumer

6 Last year we had 3,600 people turn up at The O2 having purchased counterfeit and invalid tickets through these sites

Reg Walker

Protection from Unfair Trading Regulations 2008 and conspiracy to commit fraud by false representation under the Fraud Act 2006 (*LIVE UK* issue 162), has been released without charge.

However, it is understood a related investigation by the UK Trading Standards into ticket resellers worth hundreds of thousands of pounds being bought and sold through resale websites, continues.

Ticketmaster cleared of misleading customer

THE ADVERTISING Standards Authority (ASA) has rejected a complaint against Ticketmaster (TM) from a customer who accused the firm of being "misleading" in offering tickets for a concert by The Cure.

The complainant had attempted to buy tickets for the band's 28 March show at London's Royal Albert Hall (cap. 5,250) as soon as they were released, only to find none were available. They were then directed to more expensive tickets on sale via TM-owned resale site GetMeIn!

TM said it appeared the customer was not able to buy tickets from its

website because the tickets had either all been sold or were in customers' shopping baskets, where they are reserved for 15 minutes to enable the sale to be completed. The company said that the message regarding the potential availability of tickets on GetMeIn! was only displayed when no tickets were available through the TM site, in addition to a recommendation that fans keep checking the site as further tickets may be released at a later date.

The firm added that it had not allocated any of its tickets for sale via GetMeIn!, and that tickets listed

on that site would have come from another source.

Clearing TM of any wrongdoing, the ASA concluded, "We were satisfied that the evidence supplied indicated that tickets for the concert had been available through Ticketmaster from 9.30am on 31 January and had been sold by that company directly to individual customers. We therefore concluded that the ad had not breached the Code."

Several years ago TM faced similar claims in the US when Bruce Springsteen fans were diverted to its resale site TicketsNow, even though face

value tickets were still available. Although denying wrongdoing, TM agreed to pay a penalty of \$350 (£209,000) to the State of New York and compensate more than 1,000 concert-goers for the extra they had paid above face value.

When acquired by TM in 2008, eTicketsNow was an online outlet for professional ticket resellers, then opened up to general resale.

Last year AEG Live was rapped by the ASA after a Kanye West show in London, billed as a "one-off", turned into a three-date run (see *LIVE UK* issue 162).

30 part 2

BBC consumer rights show tackles secondary ticketing

UNITED KINGDOM A three-part investigation into the secondary ticketing market was aired on BBC TV's flagship consumer rights programme *Watchdog* in late-May and early-June.

Viagogo's Ed Parkinson, StubHub's Brigitte Ricou-Bellan and Seatwave's Ajay Chowdhury were among those interviewed for the programme.

The final report focused on methods used to bypass ticket restrictions for Kate Bush's upcoming 22-date residency at London's Eventim Apollo (cap. 5,630), her first live shows since 1979. With promoter SJM Concerts, the singer sought to limit the excesses of the secondary market by restricting tickets to four per order,

with the name of the lead buyer printed on each ticket. Photo ID is required to gain entry to the venue and any guests must arrive with the lead buyer.

But despite the measures, a few hundred tickets to the concerts were on sale at inflated prices on Viagogo and Seatwave, with the latter advising, "Tickets will need to be collected from Seatwave at a location in Hammersmith on the night of the concert."

Security expert Reg Walker of Iridium Consultancy explained to viewers, "Touts who harvest a large number of tickets will employ

what they call 'walkers' and they will give them the credit card they purchased the tickets with and other forms of identification. They then use the tickets themselves to walk into the event with the [buyer] to present the credit card, come back out for the next group tickets have been sold to ... and it's all designed to circumvent any form of entry restriction."

Viagogo argued "any attempt by artistes to restrict resale



Ajay Chowdhury

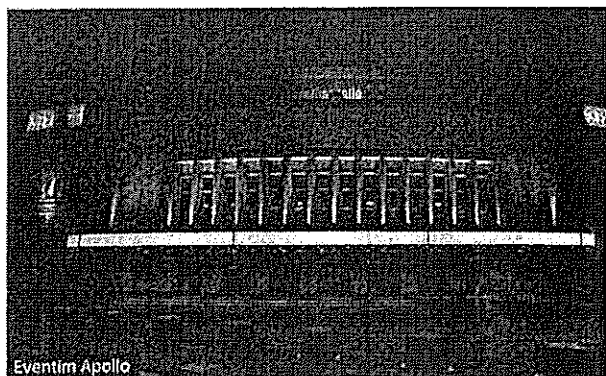
of tickets is a violation of consumer rights", while Seatwave CEO Ajay Chowdhury also defended his stance. "If somebody wants to £150-200 [\$253-337] to see Kate Bush because ... they couldn't get it in the primary market, we are then the opportunity to get it and that's providing the fan with a real service," said Chowdhury.

who is a non-executive director of the Government's Department of Culture, Media and Sport (DCMS).

Ticketmaster-owned resale site GetIt that Kate Bush tickets had been removed from the site, as ticket restrictions meant it could face problems at the venue. eBa StubHub said it did not list Bush's tickets for the same reason.

Watchdog said the "overwhelming majority of viewers believed the 'second-hand' market should be regulated, according to what it had set up.

The Government recently issued guidance to secondary ticketing websites in response to a series of new clauses to the Consumer Rights Bill, tabled by members of the Parliamentary Group on Ticket Abuse (Audience issue 172).



Eventim Apollo

European expansion plans for Hard Rock

ITALY Global restaurant chain owner Hard Rock International is launching a free 40,000-capacity outdoor music festival at Rome's Piazza del Popolo on 12 July, with additional European festivals set to follow in 2015.

The firm, which sponsored the Live Nation Entertainment-promoted Hard Rock Calling festival (cap. 60,000) in London until last year (see *Audience* issue 164), is staging the Hard Rock Live Rome event in partnership with Roma Capitale.

The event will feature more than 10 acts, both domestic and international, including Negramaro and The Carnabys, with a second stage, the Hard Rock Rising stage, to showcase emerging artists.

"We hope this will be the catalyst for future large-scale concert events Hard Rock hosts throughout Europe," says Hard Rock International chief marketing officer John Galloway.

The company says it is looking at potential sites in the UK, Spain and Germany to host further festivals next year.

Newsbites

USA AEG Facilities has agreed multi-year venue services deal, including event booking and sponsorship sales, with the 9,200-capacity Colorado Springs World Arena, in Colorado. Opened in 1938, the venue has hosted concerts by acts such as Aerosmith, Eagles, James Taylor, Neil Young, Elton John, Linkin Park and Rod Stewart.

CANADA Australia will be the spotlight country for the 33rd edition of Canadian Music Week (CMW), set for 5-9 May 2015. This year's CMW attracted 3,000 delegates and more than 160,000 music fans, say organisers. Speakers included Nile Rodgers and Quincy Jones, while five nights of performances featured acts such as City and Colour, Ellie Goulding and M.I.A.

NORTH AMERICA The man who discovered Celine Dion when she was a teenager and married her, Rene Angelil, has stepped down as her manager. Angelil will become chairman of Dion's management company Feeling Productions, with Aldo Giampaolo named new CEO. Giampaolo will relocate from Canada to Las Vegas where Dion currently lives and is performing a residency at the Colosseum (cap. 4,298). He was previously president/CEO of Entertainment & Sports and was the former head of Cirque du Soleil's business unit.

USA The three Reliant Park venue complex in Houston, Texas has been renamed NRG Park, comprising NRG Stadium (cap. 71,500), NRG Center (20,000) and NRG Arena (8,000). NRG is the parent company of Reliant Energy and has been working towards taking over the \$300 million, 30-year naming rights contract that began in 2001, after it bought Reliant Energy.

Anti-touting music fans raise £150,000 for Foo Fighters show

A FACEBOOK Foo Fighters fan forum has reached its £150,000 target in ticket pledges through crowd-funding platform Kickstarter, as it seeks to persuade the band to play a 3,000-capacity warm-up show in the UK next year.

The UK initiative, Foo For The Fans No More Touts, hopes to bring the band to a Birmingham venue and alert music fans to pervasive ticket abuse.

"We're trying to stand up and say something needs to change with what's happening in the secondary ticketing market," organiser Kelly Gaffney tells *LIVE UK*. "Even some artistes have recognised the issue needs addressing and are trying to change how ticket distribution works."

The bid was launched after the band agreed to play a crowd-sourced US show at The National (cap. 1,500) in Richmond, Virginia, on 17 September. Supporters raised \$70,000 (£43,880) through \$50 (£31) pledges.

"We're receiving hundreds of messages from people with horror stories of buying tickets at crazy prices," says Gaffney. "The secondary ticketing websites need to take responsibility for the platform they've provided to buy and sell tickets."

Supporters of the campaign were invited to pledge £50 a ticket or offer smaller amounts if they're unable to attend but want to back the project.

"I really hope we all come together to achieve this, and possibly make UK

history," adds Gaffney.

Foo Fighters, who are managed by Los Angeles-based Silva Artist Management, played secret shows at Concorde 2 (540) in Brighton and London venues House of Vans (850) and Islington Assembly Hall (800) last month, ahead of their headlining performance at east London's Queen Elizabeth Olympic Park (40,000) for the closing ceremony of the Invictus Games.

Gaffney says she has not yet been in contact with the band's representatives and was in the process of drafting a proposal. The campaign has a deadline of 17 November to reach an agreement; otherwise the not-for-profit project will go no further.

Speaking to *LIVE UK*, Foo Fighters'

international agent Russell Warby of WME's London office declined to comment on individual proposals, but says he would happily consider the merits of initiatives put forward regarding any of his artistes.

"Broadly speaking, we are seeing crowd-funding activity from a lot of areas that are feeling a little neglected by the established touring circuit and we wish to investigate that whilst being aware that artistes can't play everywhere of course - it's an impossibility given the scope of touring worldwide," says Warby.

"Crowd funded shows may well comprise an element of the future of touring - and we will have to find a way to make the mechanics of that work for the benefit of all."



Night & Day survives licensing review

NIGHT & DAY Café (cap. 200) has kept its licence following a review by

not turn the music down, and a public hearing was held at the Town Hall



An online petition secured more than 74,000 signatures in support of the venue, which has upcoming

Iron Maiden manager urges fans to join fight against ticket abuse

INTERVIEW Iron Maiden manager Rod Smallwood is encouraging music and sports fans to take action against the "scourge of industrial-scale and insider secondary ticketing" and to complain to their MPs, ahead of a debate in the House of Lords.

The call to action follows the House of Commons voting down an amendment to the Consumer Rights Bill (see *Audience* issue 180) which would have required more transparency on ticket marketplaces.

If successful, the amendment would have forced resale websites such as Ticketmaster-

owned Get Me In! and Seatwave, eBay-owned StubHub and viagogo to reveal to buyers the identity of sellers, a ticket's seat number (where

applicable) and its face value. The companies vigorously oppose the changes and, in particular, making sellers identify themselves.

Smallwood has appealed to fans of the band

to write to their local MPs, asking them to support the proposals of the All-Party Parliamentary Group (APPG) on Ticket Abuse, which is pressing for greater transparency.

The APPG's campaign is backed by an open letter signed by 85 industry figures including the managers of One Direction and Arctic Monkeys and international agents such as Emma Banks and Mike Greek of CAA, Charlie Myatt and Angus Baskerville (13 Artists), John Jackson (K2 Agency), Jeff Craft (X-ray Touring), Peter Elliott (Primary

Talent International), Geoff Meall (The Agency Group), Paul Boswell (Free Trade Agency) and Rob Challice (Coda Agency).

"Your support is critical

to demonstrate to this Government that the public are fully behind us in our opposition to the current abuses," Smallwood tells Maiden fans.

A long-time outspoken critic of ticket abuse,



Smallwood says, "There is an urgent need for greater transparency on ticket sales. Many major bands and managers, agents and promoters along with national sporting bodies like the RFU [Rugby Football Union] and ECB [English Cricket Board] have long been calling for Government intervention and legislation, as there is far too much excessive profiteering going on at the expense of genuine fans," he says.

"This may well be the best and only opportunity fans have to get some protection from the touts and secure more equality in getting tickets to major concerts and events."

Iron Maiden routinely takes steps to ensure their fans can get good seats at face value, using paperless ticketing and special pre-sales.

Following its defeat in the House of Commons, the amendment returns to the House of Lords, which had previously voted in favour of it, for further debate. The amendment can be re-presented to the Commons on two more occasions and it is understood that negotiations are taking place to find a compromise.

"There is far too much excessive profiteering going on at the expense of genuine fans"

Rod Smallwood

Sam kind of wonderful

Following his recent sweep of the Grammy awards, where he



(K2)

1155.