

From: mark@uk.ibm.com [mailto:mark@uk.ibm.com] **On Behalf Of** ticketing mailbox
Sent: 20 November 2015 09:04
To: Suzanne Proctor
Subject: Re: The Championships, Wimbledon - Response to the Call for Evidence

[Quoted text hidden]

20 November 2015 at 17:30

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

Dear Sirs

Please find attached the Response to the Call for Evidence submitted on behalf of The All England Lawn Tennis Club (Championships) Limited.

We would be grateful if you could confirm safe receipt.

Yours faithfully

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Review of Consumer Protection Measures relating to Online Secondary Ticketing Platforms – Call for Evidence

Response by The All England Lawn Tennis Club (Championships) Limited regarding The Championships, Wimbledon

The Championships and Tickets

The All England Lawn Tennis Club (Championships) Limited (the "AELTC") is the owner and organiser of the annual Championships, Wimbledon ("The Championships"). The Championships take place over the two weeks at the end of June and the beginning of July. We have a history of being passionately involved in the debates regarding secondary ticketing and are pleased to be able to contribute to this call for evidence.

There are a number of reasons why we feel so strongly about tickets and, as importantly, how they are distributed into the hand of the public. In our ticketing strategy income received from ticket sales is not a significant concern; instead, we want The Championships to be accessible to all and for the atmosphere at The Championships to be one which is thoroughly memorable to those who attend. We also want to ensure that families can experience Wimbledon and all it has to offer. We strongly believe that a free secondary market jeopardises this.

Over 90% of tickets to The Championships are priced at, what we believe, is an affordable rate which allows consumers to engage with the sport of tennis. Purchasers of these tickets can return their tickets for a full refund, provided that they are returned prior to the day of play. We do not seek to obtain the "top price" for tickets but instead seek to ensure that all tickets are sold to fans who want to take part in the experience which we can offer.

Our Ticket Resale scheme means that as spectators leave for the day their show court tickets are resold for the benefit of charity and ensures that Centre Court and No.1 Court ticket holders are almost always present on the Grounds.

Whilst we welcome the introduction of the secondary ticketing provisions of the Consumer Rights Act 2015, we are concerned that these provisions are either not understood or simply not being applied.

"Wimbledon"

The Championships is operated in association with the Lawn Tennis Association (the "LTA"). The financial surplus generated by The Championships, after the expenses of maintaining the AELTC grounds and premises, is used by the LTA for the general benefit of British Tennis.

The Championships has a long and proud history. The event is widely regarded as the most prestigious tennis tournament and one of the leading sporting occasions in the world. Moreover, The Championships have retained a unique and characteristic flavour, not only because of the quality of the tennis played by players (who frequently say Wimbledon is the one tournament they wish to win) but also by the special atmosphere created by the AELTC and its spectators.

We care greatly about our spectators and they have been and continue to be an integral part of what makes Wimbledon unique. Due in large part to the way we have traditionally distributed our tickets, Wimbledon spectators have always been drawn from a wide spectrum of society. This diverse makeup of the spectators is important to us. Through our association with the LTA, we are committed to ensuring that the sport of tennis maintains its health and popularity and, in particular, ensuring that young people can view attendance (and indeed perhaps future participation) at The Championships as something which is fully attainable.

The special atmosphere at The Championships gives us the chance to attract a generation of young tennis fans who we hope will become lifelong fans of tennis and Wimbledon. They are our future. This special atmosphere means that tickets for the "show courts" are sold out each year and the Grounds of The All England Club are at full capacity almost every day.

We have to attempt to strike a balance to ensure that The Championships attracts a broad mix of people and is not wholly dependent on one category of spectators. Wimbledon spectators have a reputation for being knowledgeable and passionate about tennis and creating a fantastic atmosphere around the courts for the players which is both energising and respectful at the same time. Our fans understand the balance between knowing when to encourage and applaud, when to stand and, of course, when silence adds its own drama.

Tickets to The Championships

We are responsible for issuing all tickets to The Championships and issue two types, namely debenture and non-debenture tickets. Debenture tickets are allocated to those who have purchased debentures in The All England Lawn Tennis Ground Plc, who are the owner of the premises at which The Championships takes place. Debenture tickets are freely transferable. Non-debenture tickets are issued subject to strict terms and conditions, which we actively enforce. We regularly refuse entry to those who have obtained non-debenture tickets from third parties and we also regularly issue proceedings (including obtaining injunctive relief) against those who act in breach of our ticket terms and conditions.

Our Ticket Office is open all year round and during The Championships it is open from early in the morning until late at night. The Ticket Office already receives numerous telephone calls from consumers asking for verification of tickets which they have received or purchased and we are always willing to offer such verification. If a caller gives details of a non-debenture ticket, they will be told this and be told that the ticket will not be valid for entry.

Debenture tickets make up less than 10% of the overall available tickets to The Championships. Whilst debenture tickets are transferable the minimal number that are available for re-sale does not in our view adversely affect the special character of The Championships.

The pricing structure for non-debenture tickets allows a family to attend The Championships for a reasonable cost. We do not require children under the age of 5 to purchase a ticket, thereby giving young children the opportunity to become immersed in the sport of tennis at an early age. This is something which, we believe, is important for the future health of tennis. With the other Grand Slam tournaments being played outside the UK, The Championships may well be the only major tennis tournament at which aspiring young players are likely to be able to see the top men's and women's players live at the same event.

Methods of obtaining Tickets

Non-debenture tickets are allocated in a number of ways by the AELTC and the LTA, who act as our agent for these purposes.

We have our own Public Ballot, which is open to both UK and Overseas applicants. Ballots are run right up until The Championships so that applicants have as many opportunities as possible to obtain tickets in this way.

Tickets are then dispatched from the AELTC during the month of May. They are not all sent out in one batch but are instead sent out over the course of the month. All tickets (debenture and non-debenture) are usually posted by the end of May/beginning of June (save for any which are subject to a further ballot which will then be sent out as and when the ballot process is completed and responses from applicants have been received).

In addition, non-debenture tickets are allocated to different types of individuals connected to the AELTC and The Championships.

The LTA allocates non-debenture tickets via its own Ballot and via foreign and county tennis associations, who in turn distribute the tickets. One of the largest groups who receive tickets for The Championships is those people who are members of tennis clubs. These clubs continue to form the backbone of the game in this country and a vibrant club structure is viewed as vital for the health of British Tennis and The Championships. Allocating tickets for tennis clubs remains highly desirable for a variety of reasons, including:-

- The provision of tickets to tennis club members is an important benefit which, in the views of the LTA and AELTC, drives membership of tennis clubs;
- Part of the attraction of The Championships is its unique atmosphere. This is very different from other Grand Slam tournaments and part of the reason for this is the knowledgeable nature of the crowd;
- Tennis clubs very often reward their most active members (be it players or officials) with tickets and this in turn helps to maintain and nurture the club system and competition structure.

Both our ballot and the LTA's ballot are heavily oversubscribed and there will unfortunately be applicants who are unsuccessful. However, if customers seek to re-sell their tickets on secondary sites, rather than returning those tickets to either us or the LTA (as applicable) for a refund, those who have taken the time and effort to make an application but have been unsuccessful will lose the opportunity to be allocated those tickets in a subsequent ballot. Again, this, in our opinion, will inevitably mean that knowledgeable fans and families will lose out in favour of those who have the money to pay the "market" prices.

The deliberate pricing of non-debenture tickets to make them affordable also helps to ensure that The Championships are not the sole preserve of the wealthy and privileged. If there was an unrestricted market then we believe that the perception of the tournament would be damaged irrevocably; it would be seen as being an event to which less wealthy people and their families could not afford to attend. There has been some criticism of The Championships in the past with seats being empty at the start of matches but in our experience this would be far worse if the carefully designed ticketing strategy was to be destroyed by the wealthiest individuals having unfettered access to tickets as the highest bidders.

In addition to the Public Ballot, we also operate a public queue system, 'The Queue'; we are the only sold out sport or entertainment event in the UK which offers the public an opportunity to purchase tickets on the day of play and at a price representing exceptional value for a whole day of entertainment. Again, this contributes towards creating the special atmosphere of The Championships; the queuing system and associated queue etiquette is such that many people choose to queue overnight to gain an opportunity to watch The Championships live.

Members of the public are also given an opportunity to purchase non-debenture tickets on the Ticketmaster website. These tickets are sold by Ticketmaster on behalf of the AELTC. Tickets sold in this way can be purchased either two days before the day of play or one day before the day of play (depending on if the tickets being purchased are returns received by the AELTC or whether they are other tickets made available by the AELTC to purchase).

It was unfortunately through these Ticketmaster sales that "botnets" have caused problems for us in the past. In 2010, the Ticketmaster sales process was undermined by the use of botnets which enabled a particular company (a company which was based outside of the UK but which seemingly dealt primarily in the unauthorised sale of football tickets) to purchase large numbers of non-debenture tickets on the Ticketmaster website for re-sale to its customers. At this time, the Ticketmaster sales process provided for the use of e-tickets (i.e. print at home tickets), which meant that customers could simply print off their tickets after purchase. It appeared to us that this third party

ticket re-seller had used botnets to acquire tickets and had also used a number of false addresses in their applications. The same credit cards were then used to make payment for the tickets.

This experience showed us that the e-ticket process could be easily manipulated through the use of botnets and therefore the ticket procedure was changed to combat this. Now, all buyers who purchase through Ticketmaster have to attend at The Championships with photographic identification and the credit card that payment was made with. Print at venue tickets or normal non-debenture tickets are then provided to the purchaser once the relevant checks have been completed.

The Queue and Ticketmaster system allows us to resell any returns that we receive at face value. By operating in this way, empty seats are minimised and fans of specific players are able to gain access to tickets at the last minute.

We also operate a Ticket Resale facility in the grounds of The All England Club. Ticket Resale is unique to Wimbledon and allows spectators leaving for the day to have their tickets resold (for the benefit of charity) and therefore maximises the number of seats occupied throughout the day.

The operation of the Public Ballot is, in our opinion, a fair method of allowing consumers the opportunity to plan their trip to The Championships, and not to have to wait until the last minute to know whether they are attending (e.g. by joining the queue or hoping to be able to buy tickets via Ticketmaster). This is particularly important for overseas visitors, many of whom dream of the opportunity to come to The Championships. Few other events attract the same level of overseas interest that we do. The Public Ballot system allows visitors to make travel and accommodation arrangements in advance rather than leaving it until the last minute when debenture ticket prices (and likely accommodation prices) tend to increase thereby forcing the consumer to pay more to attend what may be a once in a lifetime opportunity.

We understand that some parts of the secondary ticket market have suggested that dynamic pricing may be a method of combatting the issues faced by both rights holders and the secondary ticketing providers. Selling tickets at a higher price closer to the event is, in our opinion, prejudicial to the consumer and again risks pricing less wealthy fans out of the market.

As a result of the various methods by which the consumer can purchase tickets, not all tickets for The Championships are distributed at exactly the same time. In addition, the LTA will distribute the tickets allocated to their members and therefore not every ticket will be despatched to consumers directly from the AELTC.

Debenture Tickets

As mentioned above, debenture tickets are issued to those who have purchased debentures in The All England Lawn Tennis Ground Plc and make up less than 10% of the overall tickets available for The Championships. Debentures are available for Centre Court and No.1 Court only. Each debenture is valid for five years, with a new debenture offering taking place every five years.

The effect of purchasing a debenture is that debenture holders receive a debenture ticket for each day of The Championships. Debenture tickets to The Championships are freely transferable.

The AELTC allocates certain areas of Centre Court and No.1 Court to debenture seating. This means that we can often determine, even just from a Gangway number, whether it is a debenture or non-debenture ticket which is being offered for sale.

The debenture issue allows the AELTC to raise funds. These funds are then used to maintain and improve the grounds of The All England Lawn Tennis Club and have been used in recent years to fund the retractable roof on Centre Court and the building of No.1 Court which opened in 1997. We endeavour to provide the finest stage in world tennis and the debenture scheme has allowed us to make significant improvements to our Grounds and infrastructure without recourse to public finance.

Such funding would be significantly reduced if we did not draw a distinction between debenture and non-debenture tickets.

The Championships 2015 – the effect of the Consumer Rights Act 2015

In 2014, the “traditional” secondary ticket websites offered a minimum of 3,000 tickets to The Championships. Whilst tickets were advertised on these sites as debenture tickets, it is our belief that there would have been a number of non-debenture tickets advertised in this way. This figure does not include tickets advertised outside of the secondary ticket websites.

It is not always possible, in our experience, to say how many tickets are actually on offer. This is because ticket touts often place one advert (especially on online market places) when they have multiple tickets for sale.

In 2015, non-debenture tickets were first identified as being advertised on 16 May. The frequency then (as is always the case) gradually increased. There were in the region of 120 adverts for non-debenture tickets listed between 16 May and 28 June (the day before The Championships commenced). There were then in the region of 200 adverts for non-debenture tickets identified as being for sale on third party websites during the two weeks of The Championships. These adverts included offers for sale of single tickets, pairs of tickets or numerous tickets for different days of The Championships.

We also have evidence that the traditional secondary ticket websites advertised large numbers of tickets to The Championships. We do not have the full extent of these advertisements however are aware that there were at least 1,300 tickets listed. Again, the majority of the tickets listed on the secondary sites were advertised as debenture tickets.

Of all the tickets for The Championships which we saw advertised on the traditional secondary ticket websites, there were very few which provided full seat details in compliance with the Consumer Rights Act 2015. One website, which had over 1000 tickets for The Championships advertised for sale on its site, did not have the seat details listed at all.

Although we accept that the secondary ticketing websites are reliant on the seller to provide the relevant seat details, we are concerned that tickets were being listed after all tickets had been dispatched and therefore when all sellers should have had the relevant seat details to comply with the Act’s requirements. The Act does, of course, place an obligation on the operator of the site to ensure that these details are being provided and we would have assumed that the operators had mechanisms in place to ensure that they were complying with their obligations in this regard.

We are aware of one individual (whom we issued proceedings against and obtained an injunction against during The Championships) who attempted to sell, at vastly inflated prices, over 30 non-debenture tickets to The Championships using a secondary ticket website. This individual had, in fact, purchased over 50 non-debenture tickets to The Championships (including purchasing through a family member), all of which, we believe, were purchased with the intention of re-selling them for a profit.

Although some secondary ticket websites provide an option for sellers to provide full seat details, some do not. In any event, we have not seen any evidence of the websites actively informing their customers of the requirements of the Consumer Rights Act at the time that they list tickets for sale.

The fact that the secondary ticketing website operators did not require their customers to provide full seat details allowed the individual against whom we issued proceedings to proceed in the way that they did. Had the operator insisted upon seat details, it would have been immediately obvious to us that the tickets being offered were non-debenture tickets. Instead, we had to take the initiative and investigate certain sales and sellers and then proceed to issuing proceedings in the civil court, including obtaining an injunction which required full disclosure of all sales and purchases, before we could obtain the full details of the tickets obtained and sold by the individual in question.

Just prior to The Championships, we instructed our solicitors to write to one of the secondary ticket sites regarding the large number of listings on their site which did not contain full details in accordance with the Consumer Rights Act. The response which was received unfortunately indicated that the majority of the listings identified with our letter had been placed prior to the provisions of the Act coming into force. However, the operator of that site did state that it would write to its customers who listed tickets after the Act came into force to remind them of their obligations. Subsequently we know that other adverts appeared which did not have the required ticket details.

In addition, the response received on behalf of the secondary website to whom our solicitors wrote indicated that the Act did not apply to them as the website in question was registered to a company outside of the UK. We believe this is a clear misinterpretation of the Act but indicates how cavalier the sites are as to their obligations under the Act.

Our strict ticket terms and conditions do mean that consumers who purchase non-debenture tickets via the secondary market may be refused entry.

Tickets purchased outside of the traditional secondary ticketing websites attract what we would describe as a high level of risk. If non-debenture tickets are sold via these methods a customer has bought an invalid ticket (regardless of whether the ticket itself is genuine) due to the non-transferability provisions of the non-debenture tickets. In these circumstances, the consumer would have to locate the seller of the non-debenture tickets and, if necessary, issue a civil claim in the small claims court to recover the money they paid. This is, of course, reliant on the purchaser knowing exactly who the seller is and having their name and home address (and that name and address being accurate).

In addition, it is through these third party online methods that we believe that stolen and forged tickets to The Championships are often sold. Sellers can remain anonymous by trading on these sites and the failure to require any sellers to give any ticket details whatsoever means that buyers do not have the opportunity to verify with the AELTC whether the tickets being sold are debenture tickets or indeed genuine tickets at all. If invalid, stolen or forged tickets are sold, a consumer will often have little redress unless the seller is known.

The anonymity offered by the secondary marketplace is an attractive proposition and although the Act places an obligation on the operator to report any criminal activity, criminal activity in terms of stolen or forged tickets is likely to go unnoticed until it is too late if sellers are not required to comply with the listing provisions of the Act.

It is, however, from what we saw during The Championships, not just the traditional secondary ticketing websites who were not acting in compliance with the legislation. We encountered particular issues with one website based overseas who, in some cases, failed to deliver tickets to customers in and, in other cases, delivered non-debenture tickets. Customers of this website would have had no idea what they were buying as the website failed to identify any ticket details whatsoever.

Conclusion

It seems to us that the provisions of the Act came into effect too close to the commencement of The Championships to have any real impact. In addition, the secondary ticketing operators do not seem to have complied with the provisions of the Act; they seem instead to have relied on their customers to comply with the Act but without ensuring that their customers were aware of its provisions.

The secondary provisions of the Act simply cannot work until the secondary ticketing operators accept joint responsibility with the sellers to apply its requirements in accordance with the legislation.

We have no desire to see our audience reduced only to those who have the ability to afford tickets at a "market value". Allowing the re-sale of tickets on secondary ticket sites for over-inflated prices reduces the opportunity for the general public to engage in the game of tennis. This does not assist with promoting the game of tennis and it does not assist in social cohesion more generally; offering

an equal opportunity for all to attend The Championships has for long been one of Wimbledon's notable features and we wish it to continue.

This opportunity will cease to be available if those who are in receipt of non-debenture tickets are able to list them and sell them for up to ten times their face value (or perhaps even more) on secondary ticketing websites. The ability for us to be able to identify any such listings of non-debenture tickets is of the upmost importance and it enables us to protect the integrity of our ticketing procedures. Without the assistance of the secondary ticketing operators, this is a task that will become all the more difficult.

In our view, attending a live major event such as Wimbledon has real and tangible benefits and these should not be just for those who can afford to pay the highest prices. The secondary market has the effect of concentrating the live sport experience on the wealthy instead of allowing access to all parts of society.

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