

# Putting fans first

A consultation on the resale of live events tickets

January 2025



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# **Ministerial foreword**

The UK is a vibrant hub for live events that draw millions of fans every year, from concerts and theatre performances to sporting events. These experiences are a vital part of our cultural life and contribute significantly to our economy, with the live music sector alone generating over £6 billion last year. And for fans, these events are more than just entertainment – they are moments that create lasting memories.

Yet, fans face enormous challenges when purchasing tickets. They make great effort to secure tickets to live events, but they are often frustrated when they see tickets advertised at highly inflated prices on resale websites. In addition, many fans have to grapple with opaque information about tickets or pricing. Their enthusiasm and passion when matched with the creativity of artists and performers creates the value of live events tickets, yet fans are often priced out by systems that deliver no additional value to the creative industries.

The government recognises that a well-functioning ticket resale market can play an important role: helping to redistribute tickets between genuine fans, allowing those who cannot attend an event to give an opportunity to others to get a ticket, while recouping some or all of their costs. However, it appears that many professional ticket touts are systematically buying up tickets on the primary market and reselling them to fans at often hugely inflated prices.

To address these challenges, and to meet our manifesto commitment, we are taking a twopronged approach. Firstly, our consultation on the resale of live events tickets explores ways to improve the overall ticket resale market, including measures to tackle excessive prices, support better enforcement of consumer protection laws, improve platform accountability and increase transparency for fans.

The consultation seeks views on proposals such as limits on resale prices, accountability requirements for resale platforms, updates to consumer protections and industry led actions to ensure fair and accessible resale practices. A well-functioning resale market can allow fans who genuinely cannot attend an event to resell their tickets to other fans without driving up costs unnecessarily or creating additional barriers to access. Industrial scale touting, however, is skewing the market, with none of their profits going back to the live events sector or the local economy.

Secondly, our call for evidence focuses on understanding how the live events sector operates in distributing tickets and whether consumers are being impaired by a lack of transparency particularly as it relates to pricing practices like algorithmic dynamic pricing. We are keen to gather evidence on how changes in technology, business models and pricing approaches impact fans' ticket buying experiences to give rise to new harms, as well as whether consumers are being provided with clear and timely information throughout the purchasing process.

Through this consultation and call for evidence, we are seeking insights from fans, artists and performers, ticketing platforms, event organisers, and other stakeholders. Together, we can build a more transparent, accessible and fairer ticketing market that supports the continued growth of the UK's live events sector, while putting fans first. We want to see fair play in the live events sector so that it works better for all of us.

We encourage fans and all those with a stake in the live events sector to respond and support our goal of ensuring a fair and transparent ticketing market for all.



Justin Madders MP Minister for Employment Rights, Competition and Markets

Sir Chris Bryant MP Minister for Creative Industries, Arts and Tourism



# Introduction

Following our manifesto commitment to introduce new consumer protections on ticket resales for live music, drama and sporting events, the government is issuing this consultation on how we can best and most proportionately ensure that the secondary ticketing market functions in the best interests of fans and the live events sector.

We want to ensure fans have a transparent, safe and secure means of reselling their tickets when they are no longer able to attend events, and to prevent organised touts purchasing multiple tickets for the purposes of reselling them at vastly inflated prices on the secondary market. Not only does this make events unaffordable for many fans, it also means these profits are not going to the live events sector and those who work in them. We want to take action in an effective and proportionate way, ensuring any new protections work for fans and the live events sector.

In considering further action in relation to the secondary ticketing market, the government's objectives are as follows:

- consumer protection improving transparency and protecting consumers from misleading or harmful practices, and excessive resale pricing
- access improving access to live events for fans
- transferability ensuring that consumers have a safe and secure means to resell tickets where they are no longer able to attend or no longer wish to attend events
- economic success and sustainability ensuring revenue flows to the live events sector, and not to ticket touts seeking to capitalise on the popularity of live events

The live events sector is a fast-changing industry that involves a range of businesses, organisations and individuals working together to create memorable experiences for audiences. In addition to the performers and their technical crew, promoters and organisers plan events, drive audience engagement and work with talent agents to book performers; venue operators provide the physical space; ticketing platforms handle sales; and many other organisations provide food, catering and VIP hospitality. Each of these parties plays an important role, and their collaboration is what makes live events possible.

The sector has a significant social, cultural, and economic impact, driving growth and enriching lives across the country. Live events from gigs to theatre performances and sporting fixtures, and from grassroots venues to the largest arenas are key to our social fabric. They are a key driver behind our visitor economy, both domestically and internationally. The sector boosts exports and the UK's reputation in the world and in 2023, the live music sector alone generated over £6 billion, with a gig taking place



every 4 minutes, hosting numerous major festivals, stadiums, and arena shows nationwide.<sup>1</sup>

In London, theatre attendances rose by 7.2% between 2019 and 2022 to over 16 million per annum.<sup>2</sup> Last year, the UK's hosting of the Eurovision Song Contest highlighted the power of live events to foster community, attracting thousands of visitors to Liverpool and supporting the local economy. Looking ahead, the UK will host the Women's Rugby World Cup 2025, the European Athletics Championships and the Glasgow Commonwealth Games in 2026, and then the Men's EURO in 2028, building on our track record of delivering major sporting events to provide lasting socio-economic benefits across the UK.

The government recognises that a well-functioning ticket resale market can play an important role, helping to redistribute tickets between fans, allowing fans who cannot attend an event on a particular date to change the date or give that opportunity to another fan, while recouping some or all of their costs. It is good for venues, event organisers and fans when seats are not left empty. When venues are full, it means more fans are enjoying experiences, creating a better atmosphere and more opportunities to sell merchandise, food and drinks. It can also provide an opportunity to attend for those who couldn't participate in the original sale.

However, we have serious concerns about the way that many professional ticket touts appear to operate, systematically buying up tickets on the primary market and reselling them to fans at inflated prices on the secondary market. These practices reduce the supply of tickets available at face value (that is, the price set by event organisers), creating artificial scarcity and inflating prices overall, putting attendance at momentous events out of the reach for many fans.

The Competition and Markets Authority's (CMA) analysis puts typical mark-ups on the secondary market at more than 50%<sup>3</sup>, and investigations by Trading Standards have uncovered evidence of tickets being resold for up to 6 times their original cost.<sup>4</sup> Some instances are even higher. None of the additional profit made by professional touts makes its way back to the artists, organisers and workforce who create the value that sits behind these events and generate the pull for people to buy tickets in the first place.

Much more needs to be done to clamp down on exploitative practices and to improve fairness for fans in the resale market. Some legislation already exists in this area (set out in Part 1 of this consultation), but we are interested in gathering evidence on

<sup>&</sup>lt;sup>1</sup> LIVE, '<u>UK Live Music report</u>' 2023

<sup>&</sup>lt;sup>2</sup> Society of London Theatre 'Box Office Data Report' 2022

<sup>&</sup>lt;sup>3</sup> CMA analysis conducted as part of its investigation into the merger of viagogo and StubHub found that most tickets sold through the 2 parties' platforms in 2019 had a mark-up over their face value of more than 50%. Competition and Markets Authority, 'Completed acquisition by PUG LLC (viagogo) of the StubHub business of eBay Inc: Final report' 2021.

<sup>&</sup>lt;sup>4</sup> National Trading Standards, '<u>Ticket tout family guilty of online ticket fraud'</u> 2024



whether and how this is now outdated or insufficient to meet the challenge and how we can best move forward.

Our consultation seeks input on the following:

- the prevalence of touting in the UK resale market that is, individuals and parties buying and selling tickets on a systematic and speculative basis, and at scale
- challenges faced by primary vendors, secondary platforms and enforcers in preventing touting and other harmful practices like ticketing scams
- challenges faced by fans trying to obtain, or resell, a ticket, and models which enable transparent, fair resale for fans
- whether and how online platforms, such as search engines, influence fans' ticket purchasing decisions

This consultation also offers a range of potential policy interventions. The government is committed to introducing new consumer protections on ticket resales but has no favoured approach at this stage. We are seeking perspectives on each of the proposals presented to decide which measures, or package of measures, ought to be adopted.

The proposals subject to consultation are proposals to:

- make it illegal for (a) tickets to be resold at more than the original price or a certain percentage above the original price and (b) tickets to be sold in excess of the number that any one individual is entitled to purchase under the terms of the original sale
- increase the accountability of secondary ticketing platforms in respect of tickets sold via their websites
- enhance enforcement, ensuring there is a strong deterrent against ticket touting and that unlawful behaviour is penalised
- augment safeguards applied by the primary market to protect access for fans when tickets are originally sold

Government policy on ticket resale is led by the Department for Business and Trade (DBT) and the Department for Culture, Media and Sport (DCMS). DBT is responsible for consumer protection policy and DCMS is responsible for the live events sector.

Our consultation draws upon work undertaken previously to examine issues affecting consumers in the secondary ticketing market. This includes Professor Michael Waterson's Independent Review of Consumer Protection Measures concerning Online Secondary Ticketing Facilities published in May 2016 and the CMA's Secondary Ticketing Report published in August 2021.



Alongside this consultation, the government has also issued a call for evidence on pricing practices in the live events sector. This call for evidence seeks to gather insights from fans, industry participants, and other stakeholders on how ticketing practices work primarily across the primary market and how evolving technologies and business models impact consumer transparency. While this consultation focuses on the ticket resale market, we encourage respondents to review and contribute to the call for evidence as well, as both initiatives support the government's commitment to improving fairness, transparency, and access across the entire ticketing market.

# **Consultation details**

Consultation opening date: 10 January 2025 at 9:30am

Respond by: 4 April 2025 at 11:59pm

Submit enquiries to: ticketing@businessandtrade.gov.uk or:

**Consumer Protection Team** 

Department for Business and Trade

Old Admiralty Building

Admiralty Place

London

SW1A 2DY

# Who should respond

We would like to hear from anyone buying and selling including fans, ticketing platforms and the wider live events sector.

# How to respond

#### **Respond online**

To help us analyse the responses, please use the online system wherever possible.

By email

Email: ticketing@businessandtrade.gov.uk

By post

Write to:

**Consumer Protection Team** 

Department for Business and Trade



Old Admiralty Building

Admiralty Place

London

SW1A 2DY

When responding, please state whether you are responding as an individual or representing the views of an organisation.

If responding on behalf of an organisation, please state:

- the name of your organisation
- whether your organisation is:
- o a consumer advocacy group
- o a ticketing platform
- o an enforcement authority
- o a live events organisation
- other please describe

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

# Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our <u>privacy policy</u>.

We will publish a government response on GOV.UK. This will include a list of names or organisations that responded, but not people's personal names or other contact details. If you do not wish the name of your organisation to be included, please let us know when you submit your response.

# **Quality assurance**

This consultation has been carried out in accordance with the government's <u>consultation</u> <u>principles</u>.



If you have any complaints about the way this consultation has been conducted, please email <u>enquiries@businessandtrade.gov.uk</u>.



# Part 1 – Current legislative framework

# Summary

The resale of tickets for live events in the UK is regulated by a combination of general consumer protection law and specific legislation targeted at the secondary ticketing market:

- The Consumer Protection from Unfair Trading Regulations 2008 apply to all sectors of the economy and protect consumers from unfair business practices, including misleading price claims and aggressive trading tactics. The Digital Markets, Competition and Consumers Act 2024 revokes and restates the Consumer Protection from Unfair Trading Regulations and introduces new protections which are expected to come into effect from April 2025.
- **The Consumer Rights Act 2015** protects the rights of consumers when they purchase goods, services or digital content and includes provisions on unfair contract terms. Part 3 of the act includes specific requirements relating to resale of tickets for recreational, sporting and cultural events.
- **The Fraud Act 2006** introduced criminal offences aimed at preventing dishonest behaviour that leads to financial gain or loss through deceit.
- The Electronic Commerce Regulations 2002 impose information requirements on those providing an 'information society service', including those operating an online marketplace and engaging in online sales.
- The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 require traders to provide certain information to consumers when making a sale at a distance, such as online, and set out how that information should be provided.
- The Digital Economy Act 2017 imposes additional information requirements upon secondary ticketing platforms and sellers. The act provides a power to introduce a criminal offence to address the use of automated software to purchase tickets for recreational, sporting or cultural events in excess of the limits set by event organisers, later created by the Breaching of Limits on Ticket Sales Regulations 2018.

This following section provides more detail about the key legislation and how it applies to secondary ticketing.

# **Consumer Protection from Unfair Trading Regulations 2008**

The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) prohibit misleading actions and omissions by businesses, including professional ticket resellers. Key practices covered by these regulations include misleading price claims, hidden fees, and bait advertising tactics (where businesses advertise products at a particular price which consumers are unlikely to actually get).

In the context of ticket sales, these regulations are intended to protect consumers by ensuring they have all the necessary information before purchasing tickets, and so they have access to sufficient and accurate information to make informed decisions:



- regulation 3 makes it illegal to engage in certain banned practices, including bait advertising
- regulation 5 prohibits misleading actions, meaning ticket sellers must provide accurate, clear, and upfront information about the ticket price, seating, and any applicable fees or charges
- regulation 6 prohibits misleading omissions, where businesses fail to disclose material information, such as additional fees or restrictions, that would influence a consumer's decision to purchase

These regulations are widely used to protect consumers from deceptive practices in ticket resale, particularly when hidden fees or vague price indications are involved.

# **Digital Markets, Competition and Consumers Act 2024**

The Digital Markets, Competition and Consumers Act 2024 (DMCCA) revokes and restates, with some amendments, the Consumer Protection from Unfair Trading Regulations 2008 and contains provisions which are expected to come into effect from April 2025. These provisions will deliver better outcomes for consumers by strengthening protections in digital markets and ensuring fair treatment.

**Section 230** strengthens requirements regarding the key information that must be provided by traders to consumers in order that they can make informed decisions about their purchases. It prohibits the 'drip pricing' of mandatory fees, which occurs when additional, unavoidable fees such as service charges or booking fees are added later in the checkout process, leaving consumers surprised by the higher total price that they must pay.

The new rules will require ticket sellers to include all compulsory fees in the total price of the product upfront, when prices are first advertised, instead of adding them later in the checkout process. Where there are unavoidable fees that cannot reasonably be calculated in advance, traders must provide consumers with information about how these fees are calculated such that consumers are able to calculate the total price. This information should be given to consumers alongside and with as much prominence as the total price first displayed to them.

# The Consumer Rights Act 2015

The Consumer Rights Act 2015 is one of the key pieces of consumer legislation. The act sets out a framework that consolidates in one place key consumer rights covering contracts for goods, services, digital content and the law relating to unfair terms in consumer contracts. The secondary ticketing provisions (Part 3) of the Consumer Rights Act are designed to promote transparency and fairness for consumers, ensuring that they have access to key information before making purchases.



This law requires that buyers are informed about the nature of the tickets they are buying, the seat location and pricing. It also places obligations on sellers to disclose any restrictions such as age restrictions, wheelchair accessibility, and any other restriction which limits use of the ticket to persons of a particular description. Part 3, Chapter 5, Sections 90-92 in particular apply to the resale of tickets:

- section 90 requires that resellers and secondary platforms provide certain specified information about the ticket which includes the face value of the ticket (described as the amount stated on the ticket as its price), seat number or location, any restrictions on use, and any relationship the seller has with the event organiser or platform
- section 91 prevents event organisers from cancelling a ticket purely because it has been resold, unless such cancellation is allowed by fair terms clearly stated in the original contract of sale
- section 92 requires an operator of a secondary ticketing facility who knows that a person has used or is using the facility to commit an offence (such as fraud) to report the criminal activity to the police and the event organiser (if this does not prejudice an investigation of any offence)

# The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

These regulations govern distance selling, including online ticket purchases. They require that all fees and additional charges, such as booking or service fees, are disclosed upfront before the consumer makes a purchase. Tickets for live events are exempt from the usual 14-day cancellation period due to their time-sensitive nature and challenges in managing demand.

The regulations require that:

- regulation 28(1)(h) states that consumers are not entitled to a statutory cooling-off period where services relating to leisure activities (such as concert tickets) have a specific date or period of performance - the reason is that cancellation rights may be inappropriate where a trader must set aside capacity which they could not then fill if the consumer withdrew
- regulation 40 prohibits the use of pre-ticked boxes to automatically select optional charges, ensuring that consumers actively opt in for such fees
- schedule 2 to the regulations sets out the information that should be given to consumers before a contract is concluded including the total price of the goods, services (such as tickets) or digital content, inclusive of all taxes - any additional costs should also be displayed up front



# The Digital Economy Act 2017

The Digital Economy Act 2017 (DEA) introduced a wide range of measures aimed at supporting the UK's digital infrastructure, economy, and consumers. The act covers areas such as broadband access, data sharing, and online protections. Among its various provisions, the Digital Economy Act contains measures aimed at tackling unfair practices in the ticket resale market.

Section 105 of the act adds to the ticketing requirements contained in the Consumer Rights Act 2015, by introducing an obligation to require secondary ticketing sites and sellers to provide a unique ticket number where one has been assigned originally. The unique ticket number may be used to verify the validity of tickets with events organisers.

Section 106 of the act provides a power to introduce a criminal offence in order to address the use of automated software to purchase tickets for a recreational, sporting or cultural event in excess of the maximum set by events organisers.

Since the introduction of the Digital Economy Act, the **Breaching of Limits on Ticket Sales Regulations 2018** have been introduced, making it a criminal offence to purchase in excess of the sales limit set by an event organiser for a recreational, sporting or cultural event in the UK, where the purchase is made electronically through the use of software designed for this purpose, and where the intent is to obtain financial gain.

# The Fraud Act 2006

The Fraud Act 2006 introduces criminal offences aimed at preventing dishonest behaviour that leads to financial gain or loss through deceit. This law is relevant to ticket resale where practices like selling fake tickets or withholding important information can mislead consumers, or where tickets are obtained fraudulently in the first place. Individuals and businesses involved in fraudulent activity under this act face serious penalties, including imprisonment of up to 10 years and/or fines.

The act outlines 3 key types of fraud applicable to ticket resale:

- section 2 Fraud by False Representation occurs when someone deliberately provides false information, for example this may include selling fake tickets
- section 3 Fraud by Failing to Disclose Information
- section 4 Fraud by Abuse of Position

# **Electronic Commerce Regulations 2002/2013**

The E-Commerce regulations apply to all online transactions, including ticket resale. The regulations are designed to reduce fraudulent activity, ensuring that consumers have accurate information on both what they are purchasing and whom they are purchasing from – for example, platforms are under obligations to provide seller information.



Specific provisions include:

- regulation 6 requires an information society provider (for example, an online platform) to provide clear information about the business, including their name, address, and contact details on that platform this aims to ensure that consumers are able to identify specific details about the online platform
- regulation 7 requires service providers to provide specific details about any commercial communication such as promotional offers and any requirements to qualify for such offer must be presented in a clear and unambiguous way

# Bespoke legislation for high-profile events

For certain high-profile global multi-sport events, such as the London 2012 Olympic and Paralympic Games and the Birmingham 2022 Commonwealth Games, specific legislation was put in place that made it a criminal offence to sell a ticket for these events without authorisation from the relevant organising committee.

The **Criminal Justice and Public Order Act 1994** prohibits any unauthorised person from selling tickets for designated football matches (currently defined as Football League, Premier League, European (UEFA) and international matches played at major grounds in England and Wales). Under section 166 of the act it is a criminal offence for an unauthorised person to tout tickets for designated football matches. This offence was specifically brought in following a recommendation within Lord Justice Taylor's Final Report on the Hillsborough Stadium Disaster. Lord Taylor was specific that the offence be limited to football because of its unique public order risks.

The **Violent Crime Reduction Act 2006** updated ticket touting provisions in connection with football to cover unauthorised internet ticket sales and other ticket touting practices designed to circumvent prosecution under pre-existing provisions.

# **Online Safety Act 2023**

The Online Safety Act 2023 is currently being implemented and, when fully in force, will require social media platforms to prevent users from being exposed to fraudulent content and reduce the risk that their services are used for illegal activity.



# Part 2 – Understanding the ticketing market

# Summary

The live events market is complex and varied. Artists, event organisers, promoters, venues and ticket sellers will all decide how tickets are sold with agreements in place between parties that set these responsibilities and who bears the upfront costs and (for live music) risks of tours selling fewer tickets than expected.

Artists, promoters, venues and ticket sellers have a number of competing interests and pressures which mean that for many events, the price of tickets on the primary market are set lower than they need to be to meet demand. This 'gap' creates an opportunity for touts to buy up tickets to resell for higher prices on the secondary market.

The market has evolved significantly in recent years, with a fundamental shift away from physical touts operating outside venues to online activity.

The existence of a means to resell tickets on a secondary market has benefits for both consumers and the live events sector.

However, the secondary ticketing market can also have a detrimental impact on both consumers and the live events sector. It can significantly increase the price of tickets for fans who wish to attend the event, who may be shut out from the primary market by professional touts.

The following section provides more detail about how the ticketing market works, and the role of the secondary market within this.

# The live events sector

In 2023, the live music sector alone generated over £6 billion, with a gig taking place every 4 minutes and major festivals, stadiums, and arena shows selling out nationwide.<sup>5</sup> The CMA has estimated the value of tickets sold in 2019 through secondary ticketing platforms to be about £350 million, with around 1.9 million tickets sold on these platforms. 1.9 million tickets accounted for around 5 to 6% of the number of primary tickets sold in 2019.<sup>6</sup>

Creating live entertainment events is dependent on the passion and hard work of artists, event organisers, promoters, venues and ticket sellers.

For example:

• for live music, promoters typically 'book' artists or performers to appear at a particular venue on a specified date or range of dates

<sup>&</sup>lt;sup>5</sup> LIVE, '<u>UK Live Music report</u>' 2023

<sup>&</sup>lt;sup>6</sup> Competition and Markets Authority <u>'Completed acquisition by PUG LLC (viagogo) of the StubHub</u> business of eBay Inc: Final report 2021



• promoters will usually source and hire the venue, make other logistical arrangements and deal with things like sound and lighting.

Primary ticket sellers will sell tickets on behalf of promoters and/or the venue, however different approaches are used by organisers which may mean that tickets for the same event are sold through multiple platforms, for example fan websites, pre-sales, primary ticket platforms, secondary ticket platforms.

Revenue sharing agreements will often be in place between the different parties, which will include either set fees, or an agreed revenue apportionment of ticket sales and/or booking fees between the parties. Agreements will vary but historical data has estimated typical ticket inventory splits between venue and promoter of 70/30 or  $60/40.^7$ 

Significant financial risk is often borne by the promoter, since they will commonly finance a range of upfront costs and often provide advance payment to the artist. They will commonly take the financial risk of whether an event will be profitable at all, despite artists taking home the majority of profits typically.<sup>8</sup>

# How tickets for live events are priced

The sustainability of the sector relies on each actor being able to achieve enough profit from their activities so as to make it worthwhile. The network of actors and agreements outlined above have a direct influence on ticket prices in the primary market.

A combination of factors and incentives can lead this system towards ticket prices that are less than the maximum a fan will pay (or below the 'market clearing' price).<sup>9</sup>

For example:

- an artist or venue might want to widen access to groups with a range of incomes and/ or ensure a full and lively attendance, so might set prices lower to achieve those goals
- more affordable ticket prices might encourage repeat attendance at future events
- artists may set lower ticket prices for potential reputational benefits
- ticket revenue is not the only revenue stream for live events as sales of food/drink/merchandise are additional income streams and these sales increase if more people attend a live event - this can mean a venue with full

<sup>&</sup>lt;sup>7</sup> UK government '<u>Consumer protection measures applying to ticket resale: Waterson review</u>' 2016 <sup>8</sup> The 2016 Waterson review found a typical split of net profit between artist and promoter would be 80/20 or 90/10.

<sup>&</sup>lt;sup>9</sup> The market clearing price would be the highest ticket price that would mean all tickets for an event would be sold. This price will commonly be below the price of a ticket that some individuals might be willing to pay.



capacity attendance with cheaper tickets may lead to higher revenues compared to an event that is not sold out

- promoters who bear significant financial risk often want clarity on ticket sales revenue early (for example, for music festivals), to reduce their overall risk and so that other upfront expenses can be paid - promoters may therefore prefer to set ticket prices lower, so that more tickets can be sold more quickly
- it can be difficult to accurately estimate the appetite for a show, and demand for an event can change - this uncertainty can mean even without intention, primary sale ticket prices can be less than the market clearing price

For the various actors in the live events sector, the cumulative impact of these factors can mean that primary tickets sales are geared towards achieving full capacity sell out shows rather than pricing tickets at the maximum level (based on demand) for a specific event.<sup>10</sup>

This means that tickets on the primary market can be sold at lower than the maximum price. That 'gap' creates an opportunity to buy up tickets to resell for higher prices on the secondary market. Though in some cases tickets resold on secondary ticketing markets can be cheaper than the original price, tickets for popular events are more likely to be sold at significantly higher prices.

Ticket touts have simpler incentives as they do not benefit as directly from the sustainability of individual live events or artists. They are therefore more likely to buy up as many tickets as possible for high demand events and resell at the highest price possible.

# Beneficial role of the secondary market

Tickets in the UK can be resold on the secondary market through a number of different means, for example:

- specialised secondary ticketing platforms (such as viagogo and StubHub)
- non-specialist channels and social media (such as Facebook or Gumtree)
- offline channels (such as box office return outlets and ticket touts who resell tickets)

Some primary platforms (such as Ticketmaster and DICE) offer ticket resale and exchanges services for fans.

Live events that have a specific date are exempt from the usual 14-day cooling off period that is provided in the Consumer Contracts Regulations 2013, meaning that consumers do not have a statutory right to a refund for tickets that they have

<sup>&</sup>lt;sup>10</sup> For example, if an agreement means a promoter will only start making a profit if an event is more than 90% sold out, they may prefer a lower ticket price.



purchased from a primary seller. This reflects the uncertainty and risks that a trader has to manage when planning an event in the future.

As a result, the secondary market provides 2 broad benefits to consumers:

- tickets can be sold months or years before an event and a consumer's circumstances may change in that time - it provides a mechanism for fans to sell tickets they no longer want, recouping costs.
- it allows fans to purchase tickets for 'sold out' events that they would otherwise be unable to attend - this is useful for fans who were unable to originally get a ticket or after a change of plans can in fact attend

Secondary ticketing platforms make resale transactions easier and can offer additional benefits to consumers over other approaches (such as social media) by offering refund guarantees against purchased tickets not arriving, or admission to events not being granted.<sup>11</sup>

There are also benefits for the live events sector, which stands to gain from tickets which would not otherwise be used – instead being redistributed in a way that can increase attendance. The secondary market also acts as a price discovery mechanism, which may provide more information for artists, venues and promoters about how much fans are willing to pay for similar upcoming shows. This can help the promoter, artist and venue to organise future events in a way that is both financially sustainable and better aligns with fans' preferences and the overall demand.

# Issues with the secondary market

Large potential profits from ticket resale are driving touts to not only buy tickets for resale, but also buy these up in large quantities, sometimes using illegal means.

These practices are giving rise to issues which include:

- bulk purchasing of tickets on primary markets creating artificial scarcity making it more difficult for fans to buy on the primary market and thus driving up the cost of tickets on the secondary market - huge mark-ups can then make events prohibitively expensive for many fans
- more broadly, while it's not illegal to resell tickets generally, there have been reports of touts engaging in illegal activity to acquire tickets in large volumes or breaching consumer law when they resell tickets. Consumers who deal with unscrupulous sellers can be exposed to personal risk, receive counterfeit tickets or no ticket at all.

<sup>&</sup>lt;sup>11</sup> UK government, 'Consumer protection measures applying to ticket resale: Waterson review' 2016



A recent Trading Standards investigation resulted in the successful prosecution of touts who used fake identities to resell the tickets at significantly higher prices – up to 500% above the original cost – on secondary ticketing websites.<sup>12</sup>

Unscrupulous practices include:

- speculative selling, where resellers may sell tickets they do not yet have this can lead to situations where buyers may not receive their tickets, creating uncertainty and undermining trust in the system
- bulk buying tickets through the use of automated software or 'bots' this allows touts to buy large quantities of tickets faster than humans can, cornering the market and depriving real fans of the opportunity to see their favourite artist
- counterfeiting, where sellers offer counterfeit tickets or sell the same ticket to multiple buyers, leading to financial losses and eroding consumer confidence

Question 1: We invite you to share any additional information or evidence you have concerning the live events sector, the pricing of tickets in the primary market, and/or the impacts of secondary ticketing markets on consumers and the live events sector.

<sup>&</sup>lt;sup>12</sup> National Trading Standards. '<u>Online ticket touts jailed for fraud</u>' 2024



# Part 3 – Tackling the incentives behind touting

# Summary

Given the issues that exist in the secondary ticketing market, the government believes that there is a strong case to consider new measures that would aim to tackle directly speculative and organised resale of tickets for highly inflated prices.

In this part of the consultation, and in the parts that follow, we will outline a range of possible policy interventions to address some of the key problems identified in the market. The government is seeking information and evidence to aid further consideration of these options before taking final decisions on the best course of action.

This section will focus on potential measures aimed at addressing the incentives behind ticket touting by placing restrictions on (a) the price at which tickets can be resold on the secondary market and (b) the volume of tickets that any one person can resell.

# A price cap on the resale of tickets

Many countries implement price caps on tickets for live events that are resold on the secondary market, while other countries have outlawed resale entirely where it takes place outside of ticket platforms (or other channels) that have been expressly authorised by the event organiser.

A price cap would be applied to tickets resold on the secondary market and would make it unlawful to resell tickets for live events above the original price of the ticket (inclusive of compulsory fees) or at more than a fixed percentage above the original price of the ticket (inclusive of compulsory fees).

Proponents of a price cap argue that capping resale prices is the only way to undermine and disincentivise the business model of organised ticket touts. Currently, touts are able to create artificial scarcity on the primary market and then seek to inflate prices for fans by listing tickets at huge mark-ups on the secondary market.

A price cap would restrict the possible profits available to touts and therefore reduce the incentives for them to bulk buy tickets in the first place. This could lead to improved access for fans to tickets available on the primary market. It would also prevent fans from facing highly inflated prices in the secondary market, since the price cap would bring about fairer prices (albeit a lower quantity of tickets would typically be available on the secondary market).

The government recognises that introducing a price cap would be a significant and complex intervention, and it would need to be suitably enforced in order to have the desired effects. The following sections explore some of the key design questions in relation to a price cap.



#### Deciding the right level for a price cap

Tickets for live events bought on the primary market can be subject to a range of different fees. The most common fee applied is a booking fee or service charge, generally described as a fee to cover the administrative costs of processing tickets for an event. This will usually be charged as a percentage of the face value of a ticket (in which case the fee charged to different purchasers may be different) or as a fixed cost (in which case each purchaser will pay the same fee).

If a price cap were to be introduced, the government considers that – in the absence of further restrictions on resale applied by event organisers – someone reselling their ticket on the secondary market should be able to price their ticket in a way that allows them to at least recoup the original price they paid for it, inclusive of fees charged by the primary seller.

Secondary ticketing platforms also tend to charge a fee to those buying and selling tickets through their websites. These fees are generally charged as a percentage of the total resale price. Primary ticket agents sometimes offer an 'official' resale route for events that they are supplying tickets, and this might also involve fees being charged at both ends of the transaction.

The seller fees applied by some resale platforms means that a fan seeking to use one of those platforms to resell a ticket they originally bought on the primary market will need to list their ticket at a mark-up on the total price that they paid if they wish to recover their total outlay. Meanwhile, the secondary buyer will usually pay a higher price than that paid to the seller of the ticket, given platforms normally charge a fee to the buyer.

Therefore, if a price cap were to be introduced, the government's view is that it would be appropriate for the cap to permit resale at a maximum price that is at least a small percentage above the original price paid for the ticket, in order to account for these administrative costs.

On the other hand, others may believe that a price cap should be set higher, for example, so changes in demand and popularity of an event can be accounted for. Furthermore, given the market is currently uncapped, it might be considered that an initially higher cap may be justified as a first step of a longer transition to a lower cap.

The government is interested in gathering views about what the most suitable level would be for a price cap on ticket resales, in view of the 4 objectives set out earlier in the consultation.

Question 2: What is the maximum uplift that you think should be applied if ticket resales were to be subject to a price cap? Please state the reason for your selection.

no uplift at all



- 10% or less
- between 10 and 20%
- between 20 and 30%
- other please state

#### Interaction with platform fees

It is uncertain what impact the introduction of a price cap might have on the fees charged by resale platforms. The introduction of a price cap would not change the fact that resale platforms need to compete for business from those requiring a means by which to resell their ticket. Where this competition exists, there should be incentives for resale platforms to keep their fees down, to ensure their pricing is attractive for those looking to resell their tickets.

# Question 3: Would the introduction of a price cap be likely to impact the service fees charged by resale platforms to both the buyer and the seller? If so, how?

- yes
- no
- other please state

#### Clarity over the original ticket price on which the price cap is calculated

For a price cap to work effectively, it would be necessary to ensure that every ticket issued by a primary seller can have its original value identified, inclusive of fees. When tickets are resold via resale platforms, those platforms would need to be able to verify the original price paid for the ticket, so that the maximum resale price can be determined. This would need to happen in a way that ensures the price cap is adhered to, while still allowing tickets to be listed quickly and easily by people seeking to resell them.

In certain cases, it might be possible to resell tickets that have not originally been purchased on an individual basis and therefore might not have an obvious original price from which the maximum resale price could be deduced. For example, this could be the case where someone has a debenture for a particular live event and wishes to resell one or more ticket for a single event, where resale is permitted by the event organiser.<sup>13</sup> In such instances, it may be necessary for the primary seller to

<sup>&</sup>lt;sup>13</sup> Debenture holders typically gain access to premium seats at a venue which are not priced on a perevent basis. For example, debenture holders at Wimbledon will receive a premium ticket on Centre Court or No.1 Court. Wimbledon allows debenture holders to resell their tickets for any amount they wish.



display a price for these tickets, such that they could be resold in a way that is compliant with a price cap, or for other appropriate considerations to apply.

Question 4: What would be the main operational requirements that need to be in place for primary sellers and resale platforms, to ensure original ticket prices can be easily identified for the purposes of a resale price cap?

# Question 5: What challenges might exist for primary sellers and resale platforms with a resale price cap?

# Determining when a price cap should apply

Some jurisdictions have chosen to apply a resale price cap in a limited way, based on the size and popularity of an event.

In Ireland, the resale of tickets above their original value is outlawed for designated events and for events taking place in designated venues under the Sale of Tickets (Cultural, Entertainment, Recreational and Sporting Events) Act 2021. Under the Irish system, venue operators can apply for designation of a venue where the venue has the capacity to hold 1,000 people or more and the venue operator is of the reasonable opinion that the venue will hold events that will give rise to secondary selling above face value.

Similarly, event organisers can apply for designation of an event if the organiser is of the reasonable opinion that the event is of such a nature that it will give rise to overprice secondary selling. The designation process is therefore led by venue operators and event organisers, though the act also provides for the relevant minister to designate a venue or an event where they assess that it would be in the public interest. As of August 2024, 33 venues and 104 events had been designated in accordance with the act.<sup>14</sup>

The government is interested in understanding perspectives on the approach taken in Ireland, and whether a similar approach should be taken if a resale price cap was introduced in the UK. The Irish model effectively puts the onus on venue operators and event organisers to determine whether the price cap should apply to events they are involved in.

The advantage is that more power rests with the primary market, and it is those parties that are likely to be best placed to forecast the level of demand for an event, and therefore whether a for-profit resale market would exist in the absence of a resale price cap. On the other hand, doing so could impact on the efficacy of a price cap and increase complexity.

<sup>&</sup>lt;sup>14</sup> Department of Enterprise, Trade and Employment (DETE), '<u>Register for Designation of Venues and</u> <u>Events</u>' 2024



Question 6: If ticket resales were subject to a price cap, should the cap apply to all live events taking place in the UK? Please state the reason for your selection.

- yes
- no

Question 7: If a resale price cap did <u>not</u> apply to all live events, what criteria should be used to determine which events are in scope? You may select more than one option. Please state the reason for your selection.

- venues and events above a certain capacity threshold
- venue and event organisers 'opting-in' to being subject to a price cap
- other please state
- not applicable

#### **Possible exemptions**

Should a price cap be introduced, the government considers that certain exemptions might be required whereby resale above the price cap is permitted. Exemptions may be suitable in strictly limited circumstances, for example where tickets are resold for charitable purposes, or in other circumstances that have been agreed by the event organiser.

Question 8: If ticket resales were subject to a price cap, should resale above the price cap be permitted where tickets are resold for charitable purposes?

- yes
- no

# Question 9: Aside from charitable purposes, should there be any other circumstances where resale above the price cap is permitted?

- yes please state
- no

#### Potential unintended effects

The government is aware that some stakeholders have previously raised concerns about potential unintended consequences that would arise in the event a resale price cap was introduced. For example, there are concerns that the introduction of a price cap might mean that organised touts shift their activities to other sales channels where consumers are likely to be less protected, and potentially to underground or black-market channels that may be difficult to monitor.

These risks require careful consideration, not least since consumer detriment could increase should such risks materialise. While consumers who buy tickets on



secondary ticketing platforms will generally receive some sort of protection in the event there is an issue with their ticket (such as a guarantee offered by some platforms), consumers are unlikely to benefit from equivalent protections when buying tickets elsewhere. Meanwhile, the prevalence of ticketing scams on social media demonstrates how difficult it can be for fans to differentiate between genuine sellers and fraudsters.

As mentioned earlier, the government recognises that a resale price cap would be a significant and complex intervention, and we are seeking evidence on possible unintended effects or other practical problems associated with a price cap.

# Question 10: What are the risks, unintended effects or practical problems associated with a price cap on ticket resales? How could these be addressed?

#### Limits on resale

Another means of addressing organised touting could be to impose stricter limits on the number of tickets a person can resell for a single event. This recognises that a fan seeking to resell tickets for an event they can no longer attend may list a handful of tickets originally bought for them and their friends – but a professional tout may be offering hundreds of tickets for the same event.

For major events, event organisers will often restrict the volume of tickets that can be purchased by any one individual, usually allowing people to purchase 4 or fewer tickets each and setting this out in their terms and conditions. However, some touts are known to use multiple identities, bots and other tools to circumvent these restrictions, and it can be challenging for ticketing platforms to identify and stop this sort of activity. It can be even more challenging when there is more than one primary vendor involved in the sale of tickets for a single event.

Successive governments have sought to address some of these practices. For example, regulations introduced in 2018 made it a criminal offence to use automated software to purchase tickets for live events in excess of the limits set by event organisers. Meanwhile, National Trading Standards has successfully prosecuted ticket touts for fraudulent offences, including the use of fraudulent tactics to purchase multiple tickets from primary sellers.

However, the use of bots and similar practices persist. Recognising this, the CMA has previously recommended that the government pursue legislative changes to make it harder to sell tickets bought in excess of limits set by organisers, thereby reducing the incentives for touts to use bots on the primary market.

In its 2021 report, the CMA suggested that resale platforms should be prohibited from allowing sellers to list more tickets for an event than the seller is entitled to procure from the primary market. Implementing such a measure would require resale platforms to gather information about ticket limits and prevent any seller from listing tickets in excess of these limits, unless they can provide evidence that they have authorisation from the events organiser to do so. It would also require primary sellers



to ensure that information about purchase limits is provided clearly and unambiguously upfront.

There are various alternatives to the CMA's suggestion, such as a limit on the number of tickets an individual or organisation can advertise for a single event or advertise on that platform over a given period of time (for any event).

# Question 11: Should resale platforms be prohibited from allowing sellers to list more tickets for an event than one individual is permitted to buy on the primary market? Please state the reason for your selection.

- yes
- no
- other

The CMA's recommendation in 2021 focused on restricting the resale of tickets via secondary ticketing platforms. Other routes to market exist for resellers, such as social media platforms. As with a price cap, there could be a risk that implementing limits on tickets resold via secondary ticketing platforms would see sales redirected through alternative channels or overseas, in an attempt to evade enforcement or detection. It is also possible that resellers might seek to circumvent new limits by using multiple false identities or other techniques similar to those used to buy up tickets in the first place.

The government is interested in understanding the extent of these risks and whether they could be mitigated.

# Question 12: What are the risks of introducing new limits on resale volumes? How could these risks be countered?



# Part 4 – Making resale platforms more accountable

# Summary

Resale platforms play a prominent role in the UK secondary ticketing market by facilitating ticket sales between resellers and buyers. In 2019, it was estimated that around 1.9 million tickets were sold across online secondary platforms, with a value of around £350 million.<sup>15</sup>

Secondary ticketing platforms generate revenue by charging fees on either one or both parties to the sale. These fees vary but they are generally set at between 10 and 15% of the resale price (meaning platforms may end up charging fees totalling between 20 and 30% of the price the ticket is sold for). Therefore, while the platforms are not themselves buying and selling tickets, they receive a benefit from each individual ticket sale that takes place on their platform.

Given their prominent role in the ticketing market, it is vital that resale platforms operate in a way that supports a fair and secure process for fans seeking to buy and sell tickets. There are already some specific requirements relating to the resale of tickets imposed on secondary ticketing platforms under the Consumer Rights Act. The sale and resale of tickets to live events is also subject to general consumer law, which creates obligations for resale platforms as traders.

The government thinks that it is necessary to consider whether the legal obligations in the Consumer Rights Act go far enough to ensure that secondary ticketing platforms take sufficient steps to ensure consumers are protected when purchasing tickets on their websites.

The following section will consider the case for introducing new legal obligations on resale platforms to ensure that the intended effect of the existing requirements is fully achieved and to further mitigate the risk of bad actors using resale platforms to take advantage of consumers.

# New requirements on secondary resale platforms

# Information

As outlined earlier in the consultation, the provisions in the Consumer Rights Act 2015 are designed to ensure that sellers provide certain key information to the buyer when tickets are resold through a secondary ticketing facility.

Under existing legislation, resellers (whether businesses or individuals) and secondary ticketing platforms are required to provide certain key information about tickets to buyers, including:

a. the face value of the ticket (the amount stated on the ticket as its price)

<sup>&</sup>lt;sup>15</sup> Competition and Markets Authority, '<u>Secondary ticketing: recommendations to government for</u> <u>improving consumer protection</u>' 2021



- b. where the ticket is for a particular seat or standing area at the venue for the event, any information necessary to enable the buyer to identify the particular seat or standing area at the venue
- c. information about any restriction limiting the use of the ticket to persons of a particular description
- d. information about the identity of the seller if they fall into certain specified categories including, for example, if they are an operator of a secondary ticketing facility or an event organiser

Both the seller and the platform are jointly responsible for providing this information under the Consumer Rights Act, although in certain circumstances fines cannot be imposed – for example, if a person has been supplied with incorrect information by a third party and they had taken reasonable precautions. In any event, it is generally the case that resale platforms must rely on resellers to provide information about the tickets being listed on their websites.

While the Consumer Rights Act imposes obligations on secondary ticketing platforms and resellers to provide certain key information about tickets, the legislation does not specify exactly what steps platforms should take to ensure that information is gathered from resellers and displayed to buyers.

Since the Consumer Rights Act came into force in 2015, the CMA has used its investigatory and enforcement powers to enhance platforms' application of the safeguards provided for under the legislation. For example, in November 2018 the CMA secured a court order against viagogo which required it to overhaul its business practices.<sup>16</sup> Meanwhile, Trading Standards has taken forward a number of civil enforcement cases under the Consumer Rights Act against resellers who had failed to provide accurate information about the tickets that they sell, in addition to the criminal prosecutions mentioned earlier in this document.

Despite this, the government remains concerned about the extent to which issues around inaccurate information continue to affect consumers buying tickets on resale platforms. In particular, there are concerns about resellers providing false information about tickets – including fictitious seat numbers and row numbers – which can result in consumers not receiving tickets that they thought they had bought.

Moreover, some sellers appear to provide false information about their trading names and addresses in order to avoid being identified and potentially 'blacklisted' by primary vendors. Where this happens, it also reduces transparency for consumers and potentially makes it more difficult for a buyer to exercise their rights against a seller if they experience any issues with the tickets they have purchased.

<sup>&</sup>lt;sup>16</sup> Competition and Markets Authority '<u>Summary of the court order secured by the CMA against</u> viagogo' 2018



It is currently the case that, because of enforcement action taken by the CMA, the 2 main secondary ticketing platforms operating in the UK (viagogo and StubHub International) must take appropriate remedial action where they are notified that information about a ticket or seller is missing or incorrect. However, it is unclear to what extent resale platforms are taking more proactive steps to prevent inaccurate information appearing on their websites in the first place.

It may be possible for resale platforms to do more to prevent these unlawful practices by sellers taking place on their websites. When the CMA looked at this issue in 2021, they concluded that seller non-compliance could only be addressed by strengthening existing legal requirements on platforms or creating new, more prescriptive requirements through legislation. The CMA explained that their experience in investigating digital sectors suggested that there ought to be technology available which would allow platforms to efficiently verify information from tickets, or from invoices for tickets purchased.<sup>17</sup>

The government believes that there is a case for revisiting the CMA's recommendation and is interested in views about how far resale platforms should be expected to go to ensure that information provided by resellers is accurate.

# Question 13: Should resale platforms be required by law to verify that the seller owns a ticket before it can be listed for resale on their website?

- yes
- no
- other please state

Question 14: Should resale platforms be required by law to verify certain key information provided by a reseller about a ticket (for example, original price and location within the venue) before it can be listed for resale on their website?

- yes
- no
- other please state

Question 15: What steps should ticket resale platforms take to ensure that tickets listed on their websites do not breach requirements under consumer law?

<sup>&</sup>lt;sup>17</sup> Competition and Markets Authority, '<u>Secondary ticketing: recommendations to government for</u> <u>improving consumer protection</u>' 2021



Question 16: Should resale platforms be responsible for preventing resale of tickets when the primary seller has prohibited resale under their terms and conditions?

- yes
- no
- other please state

#### Refunds

Under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, traders selling tickets for live events are not required to provide consumers with a 'cooling-off period' of 14 days. That means that consumers who purchase tickets from a primary ticket seller, such as the venue, are not generally able to 'return' those tickets. This exemption exists because the time sensitive nature of live events means that last minute ticket cancellations can increase the risks of financial loss for organisers.

However, ticket resellers do not incur financial risks or create benefits for the sector in the same way as event organisers. Some ticketing platforms already offer a 24hour window for returns if a customer changes their mind in that time, but this is not usually provided for where tickets are resold. Giving people an opportunity to cancel their purchase could address a number of challenges, for example if a fan later discovered that they could buy cheaper tickets through further releases of tickets on the primary market.

The government believes that there could be a case for removing the application of this exemption for tickets resold on the secondary ticketing market, when the ticket has been bought from a trader (meaning professional resellers), so that consumers who change their mind within a certain period of time are able to obtain a refund.

# Question 17: Should consumers be able to obtain refunds for resold tickets purchased from professional traders through secondary ticketing platforms? Please state the reason for your selection.

- yes
- no
- other please state



# Part 5 – Enhancing enforcement

# Summary

Over the years, significant efforts have been made to update consumer protection legislation in response to some of the harms associated with the online secondary ticketing market. There have been some notable successes when it comes to enforcement, including criminal investigations which have resulted in a number of ticket touts being convicted of fraud offences and sent to jail.

However, enforcement action can be lengthy, complex and costly. Moreover, because of the vast profits available to touts from buying and re-selling large volumes of tickets on the secondary market, the incentives to continue these practices (and to find ways to evade detection) remain strong even in the face of potential enforcement action.

The government recognises that there is frustration amongst fans and stakeholders that more ticket touts haven't been brought to justice where they are operating in breach of the law. The following section will consider potential options for making enforcement action easier and more effective.

# **Options for strengthening enforcement powers**

The UK has a strong consumer protection framework intended to protect consumers from rips-offs. Enforcement of consumer protection law, including secondary ticketing legislation, is often led by Local Authority Trading Standards Services. The CMA also has powers to enforce consumer protection legislation and takes action against sector-wide or systemic problems.

To strengthen enforcement, the last Parliament passed the Digital Markets, Competition and Consumers Act 2024. Part 3 of the act, once it is brought into effect in April 2025, will improve the enforcement of consumer protection law by:

- replacing the legal framework set out in Part 8 of the Enterprise Act 2002
- providing the civil courts with new powers to impose on application from enforcers such as the CMA, sector regulators and local authority trading standards services - civil monetary penalties up to 10% of global turnover for consumer law breaches and online interface orders to tackle illegal online content
- giving new administrative powers to the CMA to impose online interface orders to remove infringing online content, decide whether consumer law has been breached, require compliance, including providing remedies such as compensation, and impose civil monetary penalties (up to 10% of global turnover), without having to go through the courts



The Consumer Rights Act enables Local Authority Trading Standards Services to impose fines directly for breaches of secondary ticketing provisions.<sup>18</sup> However, for enforcement bodies seeking to take enforcement action under the Consumer Rights Act, the maximum fine that they can levy in respect of any breach is £5,000. There is a question over whether this amounts to a sufficient deterrent for would-be touts, and therefore the government is consulting on whether these fining powers ought to be increased.

# Question 18: Should the government review the levels of penalties available for breaches of the Consumer Rights Act and if so, what factors should we consider in respect of these?

- yes please state
- no

# Exploring the case for a licensing model

The government considers that a licensing model could provide a way to better deliver upon our objectives around the enforcement of secondary ticketing legislation – by making it easier to tackle breaches of the law, to identify and address new forms of non-compliance, and to strengthen the overall deterrent effect.

In its 2021 report, the CMA recommended that the government establish a new regulatory function for dealing with the secondary ticketing market, involving a licensing system for all secondary ticketing platforms permitting resale above face value.<sup>19</sup> Under the CMA's proposal, the licensing regime would ensure platforms could be compelled to produce key information about their business and those selling on their sites. The licensing authority would be able to take enforcement action against unlicensed platforms permitting resale above face value, and it would have the powers to introduce licensing for all or some professional resellers if required.

Professor Waterson had previously discussed the potential merits of a licensing system in his 2016 review.<sup>20</sup> He did not recommend that the government pursue a licensing regime at the time, but did suggest that the government consider whether the licensing of professional resellers could be warranted in future if issues with compliance persisted.

The government's view is that the introduction of a licensing regime for either resale platforms or professional resellers would be a significant regulatory imposition.

<sup>&</sup>lt;sup>18</sup> The CMA will also be able to enforce the secondary ticketing provisions in the Consumer Rights Act, once the relevant provisions at section 216 of the Digital Markets, Competition and Consumer Act are brought into effect.

<sup>&</sup>lt;sup>19</sup> Competition and Markets Authority, '<u>Secondary ticketing: recommendations to government for</u> <u>improving consumer protection</u>' 2021

<sup>&</sup>lt;sup>20</sup> UK government, 'Consumer protection measures applying to ticket resale: Waterson review' 2016



A licensing system can be justified in some circumstances, particularly when it is necessary to give regulators greater oversight of those they regulate and easier access to relevant information from those businesses.

With respect to the secondary ticketing market, evidence from the CMA and other enforcers indicates that it can be difficult to secure the information they need from resale platforms to investigate potential breaches of consumer law and to pursue enforcement action. Introducing a system of licences for resale platforms might help to address this issue, since platforms could be compelled to maintain certain key information about resellers operating on their websites and to make this information available to the regulator.

More broadly, a licensing system could strengthen the direct accountability of resale platforms for transactions taking place on their site, increasing the likelihood that they take proactive steps to prevent resellers from breaking the law. Resale platforms operate internationally, which can create difficulties for UK enforcers, so requiring a license to operate in the UK could strengthen the ability for a regulator to hold platforms to account.

A system where resale platforms must be licensed could also be beneficial in providing clear signposting which can then help direct consumers away from unlicensed channels where they may be more likely to suffer harm.

However, there could be potential drawbacks to a licensing model. Requiring resale platforms to be licensed may create a financial or operational barrier to entering the market, potentially reducing competition and consumer choice. A licensing regime would also create new regulatory costs for both the public sector and resale platforms, and it is possible that these would be passed onto consumers.

Finally, the government recognises that the operation of a licensing system would involve significant costs for the licensing authority. It would be important to consider how those operational costs should be met, including whether it should be funded by the secondary ticketing industry and whether a contribution should be sought from participants on the primary market.

Question 19: Would a licensing system for resale platforms help to address issues on the secondary ticketing market and improve the enforcement of consumer law? Please state the reason for your selection.

- yes
- no
- do not know

Question 20: Beyond demonstrating compliance with UK consumer law, should licensed platforms be subject to any further requirements? If so, what should these requirements be?



- yes please state
- no

Question 21: What could be the potential unintended consequences of a licensing system?

Question 22: How might a licensing system interact with other proposals set out in this consultation, such as a resale price cap?



# Part 6 – Promoting industry-led action to improve access for fans

# Summary

The primary market is the source of tickets that make their way onto the secondary market for resale. As such, decisions taken by participants in the primary market – for instance, around pricing and distribution – have an impact on whether and how the secondary market develops. There are several examples outlined in Professor Waterson's 2016 report demonstrating that when deliberate action is taken by participants on the primary market to prevent touting – or to restrict the transfer of tickets more broadly – the desired effect often follows.<sup>21</sup>

Alongside options for further government action and steps taken by resale platforms, we want to use this consultation to explore whether there are ways that event organisers and primary ticketing sellers can do more to clamp down on touting or facilitate the resale of tickets in safer ways, and in doing so protect the interests of fans, artists and the live events sector.

The following section will discuss possible considerations for the primary market around:

- how tickets are distributed, including the potential for methods such as balloting and staggered releases to help mitigate issues on the secondary market
- restrictions on resale applied by event organisers and the extent to which those restrictions are enforced
- better use of technology to weed out bulk purchases and facilitate safe transfer and/or legitimate resale of tickets

# Potential considerations for the primary market

# **Distribution of tickets**

It is typical to see tickets for live events made available in a one-off release, at a date and time far in advance of the event, and often only a short time after the event itself has been announced. This is particularly the case for major live music events. Event organisers are keen to create 'hype' around their events and these marketing strategies help drive demand.

However, distributing tickets in this way can play a part in fuelling the demand for the secondary ticketing market, which allows higher prices and fees to be obtained. If fans believe there is only one opportunity to purchase tickets, then those who are unsuccessful may be more likely to rush to the secondary market. This plays into the hands of ticket touts who will tend to list tickets at the highest prices in the period

<sup>&</sup>lt;sup>21</sup> UK government, 'Consumer protection measures applying to ticket resale: Waterson review' 2016



immediately after the general sale, hoping to encounter desperate fans who have missed out on securing a ticket through the primary market.

It is commercially sensible for event organisers to want to sell as many tickets as possible, as early as possible. However big, one-off ticket sales can create a sense of artificial scarcity, feeding demand for tickets on both the primary and secondary markets. If participants on the primary market are motivated to clamp down on touting, then it is important that they recognise that some of the tactics they deploy to sell tickets might inadvertently be putting fans at a disadvantage and creating opportunities for touts to resell tickets at inflated prices.

In his 2016 report, Professor Waterson suggested that alternative distribution models involving ticket balloting or staggered releases could help to limit fans turning to the secondary ticketing market and paying inflated prices.<sup>22</sup> Balloting could provide the additional advantage of helping event organisers identify individual purchasers more easily, making it harder for touts to bulk buy tickets and get away with using automated software.

When tickets are released in stages, and fans are made aware of this before the first phased release, those who are unsuccessful at purchasing tickets in an initial release can make an informed decision on whether to use the secondary market at that stage if they believe they still have a chance of securing a ticket at face value at a subsequent release of tickets.

The government appreciates that event organisers, promoters and artists will need to ensure distribution methods support an economically successful and sustainable live events sector. However, we are interested in whether more can be done to encourage different approaches to distribution that enhance access for fans.

# Enabling safe and transparent resale

Restrictions placed on the transferability of tickets by event organisers, and the rigour with which those restrictions are enforced by event organisers and venue operators, can also have an impact on the role of the secondary market.

Glastonbury is a well-known example of a ticketing model that succeeds at preventing tickets appearing on the secondary market at inflated prices, even though demand far outstrips supply, year-on-year. Fans must individually pre-register in advance of the ticket sale and, as part of this process, provide a photograph which can be used to personalise their ticket. The organisers operate a limited resale process whereby people can return their tickets for a one-off resale which takes place some months after the initial sale. Meanwhile, there are comprehensive security checks undertaken at entry points to the venue to ensure that only the person in the photograph displayed on the ticket is admitted to the festival.

<sup>&</sup>lt;sup>22</sup> UK government, 'Consumer protection measures applying to ticket resale: Waterson review' 2016



However, the government is mindful of the need to enable transparent resale for fans, both to support access, and to maximise attendance at events. We appreciate there is a balance to be struck, and that onerous restrictions on resale could be difficult to deliver, and disincentivise resale by fans who are no longer able to attend an event.

It would be important to consider how restrictions applied by event organisers and the potential measures discussed in this consultation might interact, should new measures be taken forward. For example, in a system where resale prices are subject to a statutory cap, it may not be appropriate for primary sellers to impose terms that permit resale only through their own resale facility, or other nominated platforms. Such restrictions could inhibit consumer choice in a disproportionate way.

If a price cap were effective in preventing organised touting, primary sellers may be incentivised to have a more permissive approach to enable the transfer and resale of tickets between fans. This could benefit both fans accessing events and recouping costs where they can no longer attend, and the live events sector in enabling higher attendance at events (for example, reducing the number of unused tickets which are a missed opportunity for further food, drink and merchandise revenues).

# Application of technologies to counter touts

It is useful to consider whether and how primary ticketing platforms can make better use of new and emerging technologies to counter the tactics used by touts to buy up large volumes of tickets and to facilitate the safe and secure transfer of tickets between fans.

The government recognises that a number of primary ticketing platforms have already made significant investment in anti-bot technologies and other safeguards. We also acknowledge the significant challenge that is presented by the nature and scale of modern-day ticket touting operations, which can often involve the use of highly sophisticated software to evade detection and harvest tickets, despite laws in place to guard against this.

It is vital that the best available technologies can be deployed right across the primary market to maximise defences against bots and other tools which enable touts to bulk-buy tickets. With the right investment and application from participants in the primary market, technologies like Artificial Intelligence, blockchain, and dynamic QR codes can be used in combination to combat ticket touts and make it harder for them to buy and sell tickets at scale. These technologies can also make it easier for tickets to be transferred in a way that is safe and secure – for example, by reducing the risk of fans being scammed by touts attempting to sell tickets that do not exist.

The government also encourages ticketing platforms to coordinate where possible to counter the tactics used by touts, for example by sharing insights about 'bot attacks'.



Primary ticketing platforms should also be routinely reporting bot attacks to the enforcement agencies, so that they can assess whether any criminality is involved.

# Clarity over the source of tickets

Finally, we are interested in seeking views on the degree to which it is clear to fans when using search engines whether they are purchasing a ticket through a primary retailer or a secondary reseller and if this has an adverse impact on fans' ability to make informed ticket purchasing decisions.

Question 23: How could participants in the primary market adapt their ticketing distribution approach to reduce the likelihood of tickets appearing on the secondary market at inflated prices?

Question 24: How could the live events sector better enforce ticket resale restrictions and harness technology to combat touts and enable more transparent, efficient and safer authorised resale for fans? What are the barriers and is there a role for government to facilitate this?

Question 25: How would measures set out in this consultation (notably a price cap) interact with incentives for primary sellers to enable more permissive resale and transferability of tickets for fans?

Question 26: What other factors should the primary market and the government consider to address issues identified with ticket resale?

# Annex – Full list of consultation questions

# Part 2 – Understanding the ticket market

**Question 1:** We invite you to share any additional information or evidence you have concerning the live events sector, the pricing of tickets in the primary market, and/or the impacts of secondary ticketing markets on consumers and the live events sector.

# Part 3 – Tackling the incentives behind touting

**Question 2:** What is the maximum uplift that you think should be applied if ticket resales were to be subject to a price cap? Please state the reason for your selection.

- no uplift at all
- 10% or less
- between 10 and 20%
- between 20 and 30%
- other please state



**Question 3:** Would the introduction of a price cap be likely to impact the service fees charged by resale platforms to both the buyer and the seller? If so, how?

- yes
- no
- other please state

**Question 4:** What would be the main operational requirements that need to be in place for primary sellers and resale platforms, to ensure original ticket prices can be easily identified for the purposes of a resale price cap?

**Question 5:** What challenges might exist for primary sellers and resale platforms with a resale price cap?

**Question 6:** If ticket resales were subject to a price cap, should the cap apply to all live events taking place in the UK? Please state the reason for your selection.

- yes
- no

**Question 7:** If a resale price cap did not apply to all live events, what criteria should be used to determine which events are in scope? You may select more than one option. Please state the reason for your selection.

- venues and events above a certain capacity threshold
- venue and event organisers 'opting-in' to being subject to a price cap
- other please state
- not applicable

**Question 8:** If ticket resales were subject to a price cap, should resale above the price cap be permitted where tickets are resold for charitable purposes?

- yes
- no

**Question 9:** Aside from charitable purposes, are there any other circumstances where resale above the price cap should be permitted?

- yes please state
- no

**Question 10:** What are the risks, unintended effects or practical problems associated with a price cap on ticket resales? How could these be addressed?



# Part 4 – Making resale platforms more accountable

**Question 11:** Should resale platforms be prohibited from allowing sellers to list more tickets for an event than one individual is permitted to buy on the primary market? Please state the reason for your selection.

- yes
- no
- other

**Question 12:** What are the risks of introducing new limits on resale volumes? How could these risks be countered?

**Question 13:** Should resale platforms be required by law to verify that the seller owns a ticket before it can be listed for resale on their website?

- yes
- no
- other please state

**Question 14:** Should resale platforms be required by law to verify certain key information provided by a reseller about a ticket (for example, original price and location within the venue) before it can be listed for resale on their website?

- yes
- no
- other please state

**Question 15:** What steps should ticket resale platforms take to ensure that tickets listed on their websites do not breach requirements under consumer law?

**Question 16:** Should resale platforms be responsible for preventing resale of tickets when the primary seller has prohibited resale under their terms and conditions?

- yes
- no
- other please state

**Question 17:** Should consumers be able to obtain refunds for resold tickets purchased from professional traders through secondary ticket platforms? Please state the reason for your selection.

- yes
- no



other – please state

# Part 5 – Enhancing enforcement

**Question 18:** Should the government review the levels of penalties available for breaches of the Consumer Rights Act and if so, what factors should we consider in respect of these?

- yes please state
- no

**Question 19:** Would a licensing system for resale platforms help to address issues on the secondary ticketing market? Please state the reason for your selection.

- yes
- no
- do not know

**Question 20:** Beyond demonstrating compliance with UK consumer law, should licensed platforms be subject to any further requirements? If so, what should these requirements be?

- yes please state
- no

**Question 21:** What could be the potential unintended consequences of a licensing system?

**Question 22:** How might a licensing system interact with other proposals set out in this consultation, such as a resale price cap?

# Part 6 – Promoting industry-led action to improve access for fans

**Question 23:** How could participants on the primary market adapt their ticketing distribution approach to reduce the likelihood of tickets appearing on the secondary market at inflated prices?

**Question 24:** How could the live events sector better enforce ticket resale restrictions and harness technology to combat touts and enable more transparent, efficient and safer authorised resale for fans? What are the barriers and is there a role for government to facilitate this?

**Question 25:** How would measures set out in this consultation (notably a price cap) interact with incentives for primary sellers to enable more permissive resale and transferability of tickets for fans?

**Question 26:** What other factors should the primary market and the government consider to address issues identified with ticket resale?



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