Society of Ticket Agents and Retailers response to the CMA's consultation on the draft unfair commercial practices guidance

To: Competition and Markets Authority

Response to Consultation on Draft Guidance on the Protection from Unfair Trading Provisions in the Digital Markets, Competition and Consumers Act 2024

On behalf of the Society of Ticket Agents and Retailers (STAR), I am pleased to submit our response to the consultation on draft guidance concerning the protection from unfair trading provisions in the Digital Markets, Competition and Consumers Act 2024. STAR is a self-regulatory membership organisation that represents the interests of entities involved in the sale and distribution of tickets for events across the UK, ensuring transparency and fairness in the ticketing industry. Our members include theatres, arenas, ticket agents, music venues, and many others in the live entertainment sector. A full list of our members can be found on our website: https://www.star.org.uk/all-members/.

Response to Question 3

Summary

We are concerned that the guidance seems to mandate that traders must use allinclusive pricing even though the legislation allows for information about how "noncalculable" charges (i.e. those charges which cannot be reasonably calculated in advance due to the nature of the goods/service) can be provided to consumers (in a timely manner and with equal prominence to the headline price). We are also concerned about how to present inclusive prices upfront where a mandatory one-off fee is applied to the whole transaction, irrespective of the number of items added to the 'basket'. This issue is particularly relevant to the ticketing industry, where such fees are a necessary common practice and reflect the complex nature of the industry and the many parties involved in getting tickets into the hands of customers including artists, event organisers, promoters, producers, venues and ticket agents. Furthermore, we seek clarity on whether, if that one-off fee is made clear at the first price indication on a website, it must also be displayed on every intermediate screen in the purchase journey where individual ticket prices are quoted. This concern extends beyond online environments and applies to printed materials, such as brochures advertising forthcoming events.

Context and Previous Guidance

We note that previous guidance, such as the Committee of Advertising Practice (CAP) Help Note on Ticket Pricing, provides a practical approach to addressing this issue. This guidance has been used by STAR and its members for many years as a reference point for clearly including mandatory fees in upfront pricing.

The CAP Help Note outlines how to ensure clarity and transparency when presenting pricing, ensuring consumers are fully informed while maintaining compliance with advertising standards that align with existing law on inclusive pricing. Key recommendations from the

CAP Help Note include:

- Clearly showing prices inclusive of any mandatory per ticket costs.
- Clearly showing mandatory one-off fees that will be incurred on the whole transaction.

The CAP Help Note can be accessed here: <u>CAP Help Note on Ticket Pricing</u>.

One-off Charges

If extra charges are one-off fees (fixed or variable) applicable to the whole transaction and mandatory, advertisers should state the face value price with a reference to the existence and amount of the one-off fee.

If extra charges are one-off fees (fixed or variable) applicable to the whole transaction but are not mandatory, advertisers may state either face value prices if the advertisement explains where and how to obtain tickets at face value, or qualify the face value price with a reference to the existence and amount of the one-off fee.

When referring to a one-off fee, advertisers may use an asterisk to link the price to information about the amount of the fee, eg "£25 plus transaction fee*. *Fee is £3 per transaction", or, if the fee is variable, e.g. "£25 plus transaction fee*. *Fees are £3 for delivery by post, £2 by email, etc". The same applies for tickets offered at a range of prices, e.g. "£25-£85 plus transaction fee*. *Fee is £3 per transaction".

We do not see that this sort of one-off charge is any different to, say, a mandatory delivery charge that is added to the whole of a transaction.

For example:

FIRST PRICE INDICATION

Tickets available from £15 to £60 subject to a transaction fee of up to £2.00

This gives customers a clear indication of the price range of tickets and the fact that a fee of £2.00 will be added to their transaction. Customers will therefore know up front what they will end up paying which addresses the harm that the drip pricing provisions in the Digital Markets, Competition and Consumers Act 2024 seek to prevent.

BASKET/CHECKOUT

Example:

The Big Show

The Theatre

Wednesday 27 March 7.30pm

Stalls A1 £35.00

Stalls A2 £35.00

Stalls A3 £35.00

Order Total £107.00

Including £2.00 transaction fee

At this point the total price to be paid is given, referencing the inclusion of the one-off transaction fee in that total price.

The example in the guidance given after 9.24 takes a similar scenario and the note cites the ASA/CAP's rulings against GetMeIn! Ltd and Viagogo AG but does not reference their rulings in 2013 relating to ticket pricing. For example, their adjudication on Ambassador Theatre Group Ltd t/as ATG Tickets on 27 February. This clearly relates to the sort of one-off transaction charge highlighted above and provides a resolution in line with the CAP Help Note where it references one-off mandatory charges. In addition, the example is at odds with the guidance note 9.23 which indicates that the legislation does allow for situations where the total price cannot be reasonably calculated in advance, provided the consumer can readily calculate the total.

Recommendations

In light of the above, we urge that the draft guidance for the Digital Markets, Competition and Consumers Act 2024 considers the practical approaches outlined in the CAP Help Note.

Specifically, we recommend:

1. Clear Definition of Total Transaction-Level Fees:

 The guidance should explicitly address how mandatory one-off fees that apply to an entire basket can be transparently presented without causing confusion. For instance, such fees should be highlighted alongside perticket prices at the earliest stage of the purchase process.

2. Consistency with Existing Standards:

 To avoid unnecessary disruption and ensure consistency across sectors, the draft guidance should align with established industry practices and standards, such as those outlined in the CAP Help Note.

Conclusion

We appreciate the government's efforts to enhance consumer protection and transparency in pricing. However, it is essential that the guidance considers the practical realities of pricing structures in sectors like ticketing. Adopting the approaches outlined in the CAP Help Note will help achieve the government's objectives without creating undue burden or confusion for businesses or consumers.

We are happy to provide further information or engage in discussions to ensure the guidance effectively addresses the needs of all stakeholders.

Society of Ticket Agents and Retailers

website: www.star.org.uk

