BLAKE HOUSE, 18 BLAKE STREET, YORK, YOI 8QG +44(0)1904 234737 WWW.STAR.ORG.UK

To: Competition and Markets Authority

Response to Consultation on Draft Guidance on Unfair Commercial Practices: Price Transparency in the Digital Markets, Competition and Consumers Act 2024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behalf of the Society of Ticket Agents and Retailers (STAR), I am pleased to submit our response to the consultation on draft guidance (the Guidance) concerning price transparency in respect of the Digital Markets, Competition and Consumers Act 2024 (the Act). 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 5A

Summary

STAR and its members are supportive of inclusive pricing and ensuring that consumers know exactly how much they will pay for the tickets they are buying. This includes displaying any 'per ticket' charges within the price for each individual ticket. However, we have continuing concerns about the current drafting of the Guidance when it comes to 'per-transaction' charges and how these are displayed so that a consumer can correctly understand how much they will pay per-transaction.

As an approved Alternative Dispute Resolution provider for our members, we can confirm that lack of clarity on 'per-transaction' fees is <u>not</u> something about which we receive consumer complaints. We have no record of any complaints over the last ten years from consumers about not being able to calculate the price they will pay because of the way 'per-transaction' charges are presented.

- Many mandatory charges (e.g. 'per-order' fees) cannot be calculated at the point of initial
 product display as the total price for the order will depend on the consumer's choice about
 how many tickets they will buy. Adding a 'per-transaction' fee into the price of one ticket will
 be less transparent for consumers than displaying that a one-off fee must only be paid once.
- If the first ticket shown to a consumer is £52.50, which includes a £2.50 per-transaction fee, but every additional ticket is listed as £50, this could cause confusion. If the customer removes the first ticket from their basket, the second ticket would then need to increase to £52.50 to reflect the transaction fee. Examples are given in the Guidance of situations where a consumer must be able to calculate total charges. For instance, in the graphic showing pricing for curtains, there is a price per metre and then a one-off delivery charge. A consumer must calculate how many metres they want to order and then add the delivery charge to that price to reach the total amount due. We do not see that this differs from a



consumer calculating how many tickets they wish to buy and then adding a 'per-transaction' fee.

- At one of the CMA roundtables, it was suggested that a consumer might purchase only a
 single ticket, but it is equally true that a consumer could buy just one metre of curtain fabric.
 In both cases the total cost depends on the number of units chosen by the consumer. This
 demonstrates that ticket purchases and curtain purchases are parallel examples, and that the
 relevant comparison should be based on the consumer's choices, not on whether a single fee
 component can be predetermined.
- The Guidance defines 'equal prominence' narrowly. A distinction, which seems to go beyond the legislation, is being unnecessarily drawn between 'delivery' and 'per-transaction' when both represent mandatory charges that are added to the total costs of a purchase when multiple units of individually priced units are purchased for a set price. We do not see that the two examples in Image I below are different beyond the use of the terms 'delivery' and 'transaction fee' to explain the amount that will be added to the price for the number of items ordered.

A 'per-transaction' fee could be clearly displayed in the same way that the delivery cost is given equal prominence to the per metre cost in this example.

- The Guidance applies a narrow and very restrictive approach to the meaning of 'as much prominence' and requires traders to set out additional charges next to the headline price of the product 'immediately underneath or next to the headline price'. This goes beyond the legislation which is not prescriptive in this way. Our view is that provided the additional information is presented in the same size and type style as the headline price and in a position near the headline price such that it can easily be seen, then this satisfies the requirements of the Act. We would welcome clarification from the CMA on how strictly 'immediately underneath or next to' will be interpreted, and whether alternative displays are permissible provided they are sufficiently prominent on the page.
- The Guidance appears to draw a distinction between 'early-stage advertising' and later points in the purchase journey, but it is not clear at what point that distinction begins. For example, in the flower show illustration the transaction fee is permitted to be shown separately, yet it is not clear whether a calendar page displaying ticket prices would fall into 'early' advertising or a later stage. Greater clarity on this is needed to ensure consistency for both businesses and consumers.
- Including per-order charges in the headline price is misleading for consumers given that the
 final amount paid often differs significantly. If a consumer is presented with a price that
 includes the 'per-transaction' charge and wants to calculate the total cost using that
 information, they will come to a figure that is incorrect. This may have an adverse effect on a





consumer's decision to purchase, particularly if the total cost is greater than they wish to spend, as they will have been misled into believing they will have to pay more than is the case This also conflicts with statements elsewhere in the Guidance that consumers should be given the information they need to make informed decisions, shop around and compare the prices of competing products.

For example:

A consumer wishes to buy 10 tickets to a show. Tickets are advertised as 'from £22.50', but this includes a 'per-transaction' fee of £2.50. The consumer might calculate that the total cost will be £225 and take the transactional decision not to purchase, but the actual cost will be £202.50.

A consumer wishes to buy 10 tickets to a show. Tickets are advertised as 'from £20 plus a £2.50 per-transaction fee'. The consumer can easily calculate that the actual total cost will be £202.50.

A further consideration to the above is where tickets for different prices or different performances are added to a basket, but there is still only one transaction fee added to the total price of the basket. If ticket prices must be given that are inclusive of a transaction fee that is already included in the first ticket they selected, there is scope for further confusion for consumers.

For example:

A consumer wishes to buy 5 tickets for a show. Tickets are advertised as 'from £22.50', but this includes a 'per-transaction' fee of £2.50. In addition, they want to buy 5 tickets for another show at the same venue where tickets are advertised as 'from £32.50', but this includes a 'per-transaction' fee of £2.50. The consumer might calculate that the cost will be £275 but the actual cost will be £252.50. Including something such as 'includes £2.50 transaction fee' may not provide the consumer with sufficient clarity to calculate the precise cost.

• If it is required that the fully inclusive price of one ticket is given at each step of the purchase journey, this would further compound the difficulty for consumers to calculate the total amount they must pay.

In the context of purchasing tickets online through a trader's website, we are concerned that the Guidance on what stages of the purchase flow constitute an invitation to purchase and what information needs to be included is disproportionate to the requirements in the legislation.





The Guidance suggests that each intermediate step of an online trader's purchase journey constitutes a separate 'invitation to purchase' requiring repeated charge disclosures, and that it is not sufficient to present information relating to additional charges once (e.g. on the front page of a trader's website) and then omit it at later stages of the online purchase process. We do not agree with this principle.

In an online context where a consumer can purchase a ticket in as little as three clicks, the first time a trader gives information about a product and its price on its website is the invitation to purchase. The steps that follow simply enable a consumer to purchase the ticket, and is the equivalent of a consumer taking a product from a supermarket shelf to a till to pay. No further or separate invitations to purchase are made prior to a consumer paying for a ticket/the goods.

Provided consumers are given a clear indication of the ticket price plus, where applicable, any information needed to enable them to calculate any non-calculable elements of the total price, in such invitation to purchase, consumers will know up front what they will be paying at checkout, which addresses the harm that the drip pricing provisions in the legislation seek to prevent.

- Some ticket sellers that charge 'per-transaction' fees do not have technical access to reprice individual tickets as they appear on their websites. This is because those sellers might be pulling ticket inventory via API links and the price for each ticket is set by the supplier. The per-transaction fee is set by the seller and cannot be incorporated into the individual ticket price as the supplier does not have that information.
- The use of 'per-transaction' fees is a commercial choice for ticket sellers and is dependent on other commercial arrangements around the sale of tickets and how the income from those sales is apportioned between various stakeholders. For example, the price of an individual ticket may be set by the event owner, but the venue hosting the production may levy a 'per-transaction' fee to cover its in-house ticketing costs. The income from that fee is retained by the venue and is not included in the calculation for box office income.
- It is the case that not all ticket sellers charge a 'per-transaction' fee, nor do all sellers charge a 'per ticket' fee. Some that charge a per-transaction fee may not charge a 'per ticket' fee and vice versa. These arrangements are individual to the ticket seller's business and their commercial arrangements with other stakeholders involved in the mounting of live events. The ability of ticket sellers to choose how they structure their commercial arrangements promotes healthy competition for the benefit of consumers and businesses.
- Some consumers may not have to pay 'per-transaction' fees due to their relationship with the ticket seller. For example, if they are members of a loyalty scheme for which one of the benefits is not to pay fees. If 'per-transaction' fees were included in the price of one ticket,





these consumers would not be able to clearly see the 'per-transaction' fee that they would not be required to pay in the final transaction.

The inclusion of 'per-transaction' fees in the price of a single ticket presents technical challenges and, if it becomes a new requirement, going beyond what we consider is required by the legislation, adaptations to the way ticket prices are presented will require significant system changes and investment by ticket sellers and ticketing software suppliers. Ticket sellers, particularly smaller venues, will be dependent on alterations being made by those suppliers to enable them to comply. There are considerable technical and financial burdens to be considered. It is perhaps worth noting that some, particularly smaller, funded, venues operate transaction charges to help offset the costs of ticketing and in a climate where funding for their operations is reducing.

While the suggestion in the Guidance of a 'floating basket' is only an example of a solution to presenting prices, the development of this solution may take a long time to implement, comes at a cost and will not necessarily be something that the seller themselves can introduce without significant investment and/or further development where sellers rely on software provided by third party software suppliers. These development costs will ultimately be passed on to consumers. We provide further comments on the 'floating basket' at Question 6 below.

Response to Question 6

Summary

- Our members have expressed concern by the suggestion in the Guidance, including the illustrative examples in paragraph 5.7, that to ensure compliance with drip pricing requirements in the legislation online retailers should have a visible floating basket displaying 'per transaction' fees at each and every stage of the purchase flow, a dynamic "add to basket button" which calculates the total price before a consumer adds items to the basket, or an automatically displaying basket which pops up with the total price each time an item is added to the basket by a consumer. This is disproportionate to the requirements of the legislation in relation to pricing transparency and per our response to Question 5A is inconsistent with the Guidance on non-calculable charges and the presentation of the same throughout.
- The illustrative example of a museum exhibition ticket at paragraph 5.9 appears to suggest that online retailers would need to both set out the 'per transaction' fee and always have a floating basket visible. We are concerned that such requirement goes far beyond what is required by the legislation. If under paragraph 4.12 it is sufficient to set out additional charges with equal prominence, it is not clear why a floating basket is also needed. This practice implies that the average consumer would require both these features to be displayed simultaneously in the purchase flow to be able to understand how much they are required to





pay which is inconsistent with the established legal principle that the 'average consumer' is reasonably well informed, observant and circumspect rather than ignorant, careless or overhasty!.

- Most, if not all, of our members do not currently have functionality on their platforms for a
 real-time floating, dynamic "add to basket" or pop-up basket and implementing this would be
 a significant and costly technical challenge. As above, ticket sellers, particularly smaller
 venues, will also be dependent on alterations being made by those suppliers to enable them
 to comply.
- The flow diagram in the Guidance does not appear to be truly reflective of the text of the legislation. The exact text from section 230(2) of the legislation is not about whether the mandatory charge is calculable, but it is about "the total price of the product (so far as paragraph (c) does not apply); (c) if, owing to the nature of the product, the whole or any part of the total price cannot reasonably be calculated in advance, how the price (or that part of it) will be calculated;". Where there is a 'per-transaction' fee for tickets the total price cannot be calculated because it depends on the consumer's choices, not whether the mandatory fee element alone is calculable.
- We are concerned that the CMA's current stance may have unintended negative
 consequences for consumers. If businesses are discouraged from using 'per-transaction' fees,
 some may switch to include an additional amount in each per-ticket charge. This could
 increase costs for consumers purchasing multiple tickets, undermining the principle of
 consumer protection that the Guidance seeks to achieve.

Conclusion

Where 'per-transaction' fees are used for the sale of tickets, we would favour a solution that allows equal prominence to be given so that the 'per-transaction' fee appears adjacent to prices or on the same webpage (for example, where there is a calendar view of prices, as in *Image 2* below) in a way that ensures consumers are aware of the one-off fee that will form part of the total price they will pay for their tickets. The legislation already caters for this solution, and we believe it is more transparent and helpful to consumers than the alternative proposed by the CMA.

We are also concerned that the 'floating basket' example goes beyond the requirements of the legislation and is not practically feasible for our members to implement this functionality due to financial and technical constraints.

We would welcome further clarification from the CMA that the suggestion in the Guidance of a 'floating basket' is only one example of a solution to presenting prices, and that, provided traders achieve compliance with the transparency requirements of the legislation by another means, they will

¹ Office of Fair Trading v Purely Creative [2011] EWHC 106 (Ch)





not be subject to enforcement action solely because they do not have 'floating basket' functionality on their websites.

STAR 5 September 2025

Image I





Image 2



