



ticketing mailbox &lt;ticketing@culture.gov.uk&gt;

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## Review of Consumer Protection Measures relating to Online Secondary Ticketing Platforms

1 message

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17 November 2015 at 16:39

To: ticketing@culture.gov.uk

Dear Sir/Madam

I am writing to you in my personal capacity as a consumer who buys tickets to concerts and events.

While I don't work in the industry, I have worked in commercial radio, where relationships with promoters to sell concert tickets are a significant part of the business.

Event ticketing is not a simple supply and demand model. Quite often demand vastly exceeds supply and an artist or event can't simply add additional dates to meet that demand. And it's important to understand that artists and promoters don't actually always set ticket prices at levels that simply maximise revenues. But setting those initial prices is something that is up to the promoter/artist. If they want to look like they're gouging fans, that's their decision. On the other hand, not all concert/events costs are equal.

In general and simple terms, I'm very much against so-called "secondary ticketing" since it simply breaks the overall model.

In my view, secondary ticketing is simply a legal form of ticket touting.

Many events and concerts have terms and conditions that explicitly don't allow tickets to be resold, and yet only in very specific circumstances is the law adjusted to reflect this. For some reason, football and the Olympics have ticket reselling banned, but pretty much everything else is legal. Frankly that's arbitrary and absurd.

As mentioned artists and promoters tend to find a balance between pricing their ticket to allow access to their fans, yet at the same time there is also a view from some in the industry that they're simply missing out on profits made by touts, groups, and individuals that use secondary ticketing.

Promoter Harvey Goldsmith recently appeared on BBC Radio Four's Front Row (16 November 2015), and explained that for a recent event he had promoted, he's made it a condition of sale that the purchaser was limited to the number of tickets purchased, and that photographic ID was used to enter the venue. But this isn't a sustainable option for many venues. While events regularly claim that they may need proof of purchase, it's rare that it's actually carried out. The London 2012 Olympics was a key case in point - with none of the dozen or so events I attended requiring any proof that I was the ticket purchaser. Indeed despite severe warnings to the contrary, I've never had to provide such proof, beyond using a credit card to collect tickets at a box office.

I would also be wary of claims made by secondary ticketing firms that a high proportion of their ticket inventories are sold at face value or less. That's because many events - perhaps most - do not sell out, and promoters are able to use these sites to offload unsold inventory as an event's date draws closer.

I would want to see a very close analysis of who is selling what tickets to what kinds of events at what prices to draw an accurate picture of what's going on. Broad

overall brush strokes do not help. It would be informative to learn the distribution of customers who carry out repeat transactions. If I sell a pair of tickets once in a year, then I might be a genuine fan offloading my tickets. But larger volumes suggests touting - quite probably on an industrial scale. This review should call in detailed sales data from the major sites.

## A Solution

The number of individuals who truly need to resell their tickets is actually marginal. While it's true that some events sell out months or even a year or more in advance, the proportion of attendees who cannot subsequently attend is a very small proportion of the audience.

The notion that secondary ticketing is for "fan to fan" exchanges is quite simply disingenuous. Simply the fact that tickets are instantly being sold on secondary ticketing sites from the minute that their first on sale is proof of this. Essentially anyone with a credit card and an internet connection can become a tout.

I would propose a system where tickets are resold by the agency that sold them initially, with perhaps a 10% margin for managing the secondary selling.

In the past, if you ended up with theatre tickets you no longer required you simply left them at the box office, and once the house's own tickets had sold out, the box office would sell the "returns" at a either a small mark-up, or at a small cost to the original purchaser. There was a simple reliable point of purchase for those looking for access to an event at the last minute, and a safe and reliable way for someone to attempt to recover the cost of tickets they could no longer use.

With the advent of the internet, ticketing apps, and print-at-home tickets, this process becomes ever easier to manage, and keeps costs low (whatever the various booking costs charged by these sites to consumers are).

The online agency that initially sold the tickets would handle the reselling, and they would recover additional administration costs and a small profit from the 10% margin.

## Ticketing Concerns

I also believe it to be the case that a number of tickets for major promotions go *directly* to secondary ticket agencies in the first instance. I would hope that this investigation will shed some light on this practice.

This means that those tickets were never marketed at any kind of "face value" even if they appear in the same blocks as other tickets that were available for purchase.

There is very little light being shone on this practice, and it bears investigation, because it shows that not all those tickets that "instantly" show up on secondary sites when

## Other Pricing Models

I know that some promoters and venues are using "airline" style pricing with flexible prices dependent upon demand. That's a choice they can make, and they should be free to do so. Personally, I wouldn't choose to buy tickets on that model, so good luck to those producers with them. But at least they can manage inventory and maximise profits based on demand if they choose to do so.

The market will in the end dictate whether that's a sustainable business model.

### **Summary**

Put an end to legalised toutting through secondary ticketing sites.

If promoters and artists want to earn more money from their events, they should be up front in their pricing mechanisms. And it simply can't be fair that football has one rule, but every other sport and event has another.

Institute best practices, and allow the resale of tickets only at a modest increased cost over face value via the agency that sold the ticket.

