



## **Chartered Trading Standards Institute (CTSI) response to: Putting Fans First – A consultation on the resale of live events tickets**

Response sent to – [ticketing@businessandtrade.gov.uk](mailto:ticketing@businessandtrade.gov.uk)

This response is being sent on behalf of The Chartered Trading Standards Institute and has been compiled by the expertise of CTSI members.

### **ABOUT CTSI**

Founded in 1881 (as the 'Incorporated Society of Inspectors of Weights and Measures'), today's Chartered Trading Standards Institute (CTSI) is one of the world's longest-established organisations dedicated to the field of Trading Standards and Consumer Protection.

At CTSI, and through the Trading Standards profession, we aim to promote good trading practices and to protect consumers. We strive to foster a strong vibrant economy by safeguarding the health, safety and wellbeing of citizens through empowering consumers, encouraging honest business, and targeting rogue practices. We provide information, guidance and develop evidence-based policies and campaigns to support local and national stakeholders including central and devolved governments. CTSI also provides the secretariat to the All-Party Parliamentary Group on Consumer Protection and campaigns on range of topics including product safety issues. CTSI is responsible for business advice and education in the area of Trading Standards and consumer protection legislation, including running the Business Companion service to provide clear guidance to businesses on how to meet their legal and regulatory obligations.

CTSI is also contracted to provide administrative support to the Approved Codes Scheme which was established to give consumers greater confidence when they buy from members of the approved scheme and also raises the standards of trading of all businesses that operate under the relevant Approved Code for that sector.

CTSI run training and development events for both the Trading Standards profession and a growing number of external organisations. We also provide accredited courses on regulations and enforcement.

### **Response**

#### **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.**

We are aware of consumer dissatisfaction regarding the inflated pricing of resale tickets, and the frustration that certain secondary sites appear to immediately have tickets for sold out events, or even events where the tickets have not yet gone on sale. However, consumers who are desperate to see their favourite artist, and have the available funds, will buy tickets regardless of the inflated prices. This puts poorer fans at a distinct disadvantage.

### **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

For the protection of consumers across all platforms, we do not see why there should be any uplift on the price of ticket resales as, if it were not permitted, there would be no incentive for people to buy tickets to resell at a profit or for 'bot buying'. As additional costs may be incurred during the buying and relisting process, we feel that these may be recouped, so a price cap of no more than 10% would appear reasonable.

**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**

It is hard to answer this question as we do not know how the service charge for resale platforms is calculated. If they currently get the majority of their income on a percentage basis, based on the price at which the tickets are resold, then it is likely that the service fees may well increase, and a decreased income from the ticket resale is likely to be recouped in fees. If legislation is proposed to put a cap on the ticket price, consideration could be given to putting a cap on service charges as well.

**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?**

It would seem quite easy for primary sellers to indicate the selling price of a ticket on the face of the ticket itself. With regard to tickets which are not sold through the usual channels, there could be an indicative price on the ticket giving the normal price for the type of ticket and the fact that it is a debenture ticket. The legislation already required the face value of a ticket to be indicated on a resale site.

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

If legislation states that tickets cannot be sold for more than x% more than the face value, we do not see why this should present major challenges. Whilst a resale platform is effectively an online marketplace, by charging fees to the buyers/sellers they have to take responsibility for items sold on their platform. We believe that the Digital Markets, Competition and Consumers Act 2024 applies to resale platforms and they therefore will have to comply with s230 as well as the requirements of the Consumer Rights Act 2015.

**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

It would make it far more challenging for businesses to comply with the law relating to a price cap if there were different rules for different events. We can see no reason why any tickets should not be subject to the cap.

**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**

See response to Q6. If a price cap is considered to be desirable for consumer protection, then the rules should make it as easy as possible to ensure compliance i.e. applied across the board.

**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**

We do not consider that the sale of tickets 'for charitable purposes' would be easy to police, as it would be very difficult to prove where the money for the resale of the ticket was going. If charities want to make money on previously purchased tickets, then alternative routes, such as raffles, could be considered. We are aware of tickets originally sold for a charity event being sold on the secondary market at an inflated price, where the additional cost does not go to the charity; this needs to be prevented.

**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?**

It is possible that touts may attempt to sell tickets through other avenues such as social media in order to be able to increase the price. Consumers are sometimes so desperate to see their favourite artist that they are willing to risk large sums of money, regardless of whether the sale may be illegal, or whether the tickets actually exist or not. eBay has a policy that live event tickets may not be sold on their platform, so it should be possible for other sites to have a similar policy which they would have to enforce.

#### **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

By limiting the number of tickets an individual is able to sell on a resale platform, this should act as a deterrent to 'bot buying' and individuals/businesses buying tickets simply to resell. This would not address the use of fake names, however.

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

The risks are that alternative routes for selling on the black market might be used by those buying to resell. Software could be used by the resale site to detect recurring names, email addresses or IP addresses to prevent them selling more tickets than permitted.

**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

This would be challenging for the resale platform, but many ticket selling now put the purchasers name and/or email address on the ticket to prevent fraud. If this were embraced across the primary sites it would make it much easier to verify ownership.

**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

We believe that resale platforms should take responsibility for ensuring that all consumer protection legislation is complied with on their site.

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

See Q14

**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

The ultimate purchaser should not be put at a disadvantage when buying tickets and will not have the opportunity to see the terms and conditions at the time of purchase. It is therefore essential that any material information is provided before a transactional decision is made.

**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

Provided that the consumer has a statutory right to a refund and is purchasing from a trader, then they should have the same rights as if they were purchasing from the primary seller.

## **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

The penalties should act as a disincentive/deterrent to touts who can easily make hundreds of thousands of pounds reselling tickets. A maximum £5,000 fine is an insufficient penalty, particularly as this is a maximum penalty and the actual fine imposed is likely to be substantially less.

Having said this, the new injunctive powers under the Digital Markets, Competition and Consumers Act may enable greater penalties to be issued. An enforcement order can be obtained from the courts for a breach of the Consumer Rights Act requirements, and the public enforcer may include a requirement for the respondent to pay a monetary penalty not exceeding £300,000 or, if higher, 10% of the total value of the turnover. However, it is still the decision of the court what monetary penalty is imposed.

**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

We do not consider that a licensing system will help to address issues on the secondary ticketing market. There are already laws with which the platforms have to comply, and they don't all do this. For example, Viagogo does not give their fees until the tickets are in the consumer's basket and say:

- *There is no set percentage for fees, and fees can change based on ticket price, time to event, updated event information, and supply and demand*
- *Our fees and prices are competitive with other marketplaces*
- *You'll see the total ticket cost, including a list of all fees, at checkout*

Consumers therefore do not obtain material information until after their transactional decision is made.

A licensing scheme may help those who want to comply, but not those who don't, unless the platforms will be taken down if they are unlicensed, and it is not clear whose responsibility this would be, or how it would be done. It has been suggested that consumers would be reassured to know that the platform they are using is licensed, but trading standards experience shows that consumers are keener on getting the product or service they want, possibly at any price, than they do about the honesty or compliance of the trader. This is particularly highlighted with second hand cars, where consumers will travel halfway across the country to buy the car they want, without knowing anything about the dealer.

**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

Whilst we are not in favour of licensing, it should be noted that all platforms should be complying with UK law, and therefore the value of licensing would be if consumers got something additional from the licensed site, for example, guaranteed ticket exchange at no additional cost, or minimal selling fees.

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

Business that don't want to be licensed would just go 'underground' or move overseas. We may also see more face-to-face touting at events.

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

They could work together, as we assume the resale price cap would be a legislative requirement.

## **Part 6: promoting industry-led action to improve access for fans**

**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?**

We have seen a range of measures already in use in the primary market to attempt to restrict the professional resale of tickets. However, these measures tend to be specific to a particular venue, event or artist. For example, for the recent release of tickets for Oasis concerts, significant efforts were made to identify and invalidate tickets it was believed were purchased by 'bots'. We are also aware of events that require the attendee to bring a valid form of identification that matches the name printed on the ticket. Whilst these measures can have some impact on professional resale, they do not appear to be particularly widespread. Further consultation with primary markets may yield an industry-led approach.

**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?**

CTSI is not expert in the field of technology so is not best placed to answer this question, but we believe it should be possible, and ideally that the resale site should be limited and directly linked to the primary seller, which does happen with certain primary sellers.

National Trading Standards view, which CTSI does support - We have seen a range of measures already in use in the primary market to attempt to restrict the professional resale of tickets. However, these measures tend to be specific to a particular venue, event or artist. For example, for the recent release of tickets for Oasis concerts, significant efforts were made to identify and invalidate tickets it was believed were purchased by 'bots'. We are also aware of events that require the attendee to bring a valid form of identification that matches the name printed on the ticket. Whilst these measures can have some impact on professional resale, they do not appear to be particularly widespread. Further consultation with primary markets may yield an industry-led approach.

**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?**

We do not see that a price cap would affect the resale possibilities for tickets, as it would allow genuine fans to buy and sell tickets more easily and stop the huge mark-ups you see on secondary sites where many people are unable to afford them.

However, this is a relatively small proportion of a market which is overwhelmingly dominated by professional sellers. It is quite possible that, if implemented, other measures outlined in this consultation will significantly restrict the market for



professional resale such that further measures in relation to the permissive resale of tickets are not required.

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

One important factor with any of these proposals is how they are going to be enforced and by whom. Trading Standards Authorities are funded by the local authority and do not have the resources to take on large secondary ticketing platforms, despite their wish to protect consumers. Whilst the NTS e-crime team are resourced nationally, they also do not have the funding or staff to be able to do this additional enforcement, so consideration needs to be given to this. The CMA do take enforcement, but any action can take a very long time and they do not have many officers experienced in the field of investigations. They therefore also may not be in a position to take action against the rogues and touts.