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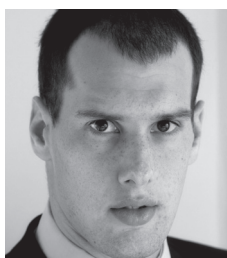
Government consults on its proposals to outlaw ticket touting

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Government consults on its proposals to outlaw ticket touting



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ILLEGAL TICKET RESALE AT THE COUNTRY'S flagship sporting fixtures has been a thorny issue for the events industry for a number of years now. The government has finally seen fit to propose a package of measures designed to help consumers, setting them out in the Department for Media, Culture and Sport's (DCMS's) 'Consultation on Ticketing and Ticket Touting'. The intention is to build on the success of innovative techniques already employed by some in the industry, preventing touts from purchasing tickets for popular events and selling them on at grossly inflated prices.

MATCH SUMMARY

Following discussions with interested parties during 2008, the DCMS issued its consultation document on all aspects of ticket touting on 19 February (see 'Reference point' below). While the illegal secondary ticketing market is not a novel phenomenon, the belief that circumstances and technologies affecting ticketing are changing so rapidly has given impetus to the re-examination of the issue. The government's proposal is for a new relationship between primary and secondary sellers and consumers, based on:

- a clear code of principles for primary ticket sales;
- extending best practice for ticket exchange in football; and
- a market-based system that controls access to events of outstanding national significance.

The government believes that the underlying purpose of any examination of the ticketing system should be to ensure that consumers are offered the best protection and value for money when purchasing tickets for sporting and cultural events. Ministers have indicated an intention to avoid legislative measures provided they have the co-operation of interested parties, seemingly placing the onus on the industry to avoid the potential for greater administrative burdens and possible sanctions against market participants and consumers.

CURRENT STATE OF PLAY

Ticket touts thrive in environments where demand for tickets exceeds supply for the

most popular events. For example, tickets for this summer's Ashes cricket series between England and Australia are already changing hands for up to £500 each on internet auction sites (as much as ten times face value).

Despite the inflated prices, the secondary market can provide a benefit to consumers by providing access to tickets beyond the initial period offered by primary sellers. It also offers consumers a means to sell unwanted tickets if they are unable to attend a particular event. Price inflation is an obvious disadvantage for the secondary market too and, with an array of official and unofficial outlets from which consumers can source tickets, confusion is created in the eyes of the public between sellers (both primary and secondary) who operate legally and those who flout the law. A recent government study – 'The Secondary Market for Tickets (Music and Sport) Qualitative Research Report' – found that consumers want a secondary market and do not want to see another piece of Orwellian regulation in this area, but that same study also found that consumers often do not easily distinguish between legitimate and unlawful sellers.

PROPOSALS: AN HONEST AND TRANSPARENT TRANSFER MARKET?

While the government is currently clear in its desire not to outlaw ticket resales entirely, it does want event operators and ticket agencies to agree on a set of market standards which will ensure that the events

REFERENCE POINT

The Department for Culture, Media and Sport's consultation paper on ticketing and ticket touting is available to view online at:

www.culture.gov.uk/images/consultations/Ticket_Touting.pdf

The closing date for responses is Friday 15 May 2009.

The Secondary Market for Tickets (Music and Sport) Qualitative Research Report can be viewed online at:

www.culture.gov.uk/images/research/secondarymkt_tickets.qrr.pdf

industry continues to meet consumers' needs. The standards are designed to help consumers understand from whom they are purchasing tickets, to provide a clear explanation of costs and to outline the options available to the consumer if attendance is no longer possible or the event is cancelled. The onus will be on the primary market to develop these principles and promote them throughout the industry. What all interested parties will have to consider is whether any proposed standards across the industry may jeopardise growth and innovation in ticketing generally or the successful commercial exploitation of events.

Current legislation (some may say quite rightly) prohibits the unauthorised resale of tickets to football matches but in response to concerns that current measures do not adequately protect the *bona fide* ticket purchaser who can no longer attend a match, pressure is being placed on football clubs to ensure that they comply with relevant consumer protection laws and that the return and exchange schemes implemented at some Premiership clubs are adopted across all the football leagues.

The consultation proposes the drawing up of a list of 'events of outstanding national significance' in conjunction with both

primary and secondary sellers. Under the proposals the secondary market would be invited to exercise self-regulation in respect of resales for such events of outstanding national significance and the government has asked for views on criteria to judge

temptation to add to the statue book, at least for the time being. The success of the government's proposals hinges squarely on the co-operation of primary and secondary sellers and without their support the new system is unlikely to

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which events might qualify. There are some concerns that a system which reduces the likelihood of the resale of tickets for a small number of flagship events may lead to reduced opportunities for consumers but, ultimately, the success of a non-legislative system will depend on the co-operation of primary and secondary sellers.

FULL TIME?

That a problem which has blighted the events industry, at least from a consumer's perspective, is finally being addressed must surely be welcome, as indeed must the government's resistance of the

make it past the consultation stage. The alternative may be for the government to force through legislation. With a brisk trade already being conducted by touts for some of this summer's prime events, legitimate interested parties must be hoping that the results of the consultation produce tangible benefits sooner rather than later.

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