

# TICKETING TECHNOLOGY FORUM

18-19 MARCH 2014

WEMBLEY, LONDON

THE FUTURE OF ENTERTAINMENT TICKETING



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## DISCUSSION PAPER 01

### The problem with secondary ticketing

Mike Weatherley, UK Government Politician for Hove, East Sussex, UK and Founder of the All Party Political Group on Secondary Ticketing

Mike will be at [Ticketing Technology Forum 2014](#), 18-19th March in London. Join him and make sure you don't miss the debate!



Mike Weatherley has been a vociferous voice in the campaign for transparency in the secondary ticket market. In this paper, he stimulates the debate with an honest account of what he feels needs to be done to ensure that tickets are sold fairly and freely to fans.

#### Big Business

Music, theatre, comedy, and sport are a vital part of British society and the British economy. The United Kingdom's creative industries are worth more than £36 billion a year, they generate £70,000 every minute for the UK economy and they employ 1.5 million people in the UK. This is why it is vital to have a healthy and transparent ticket market. Yet, with increasing frequency, secondary ticketing resellers are causing dramatically inflated prices for fans and taking away revenue from performers. This has to stop.

I have consistently been a champion of the free market and I want to be clear that I do not have a problem with artists or sports teams charging whatever prices they wish for the services that they offer. That is their prerogative and they should be allowed to set the prices of their tickets or, if they choose, to sell them through secondary ticketing or auction websites. However, as the online marketplace has become quicker and easier to use, a large number of unsavoury and illegal practices have sprung up surrounding ticket reselling websites. That is why I, along with my colleagues from all political parties of the House of Commons, founded the All-Party Parliamentary Group on Secondary Ticketing.

One of the key aspects of an honest and transparent ticket purchasing process is the intention of the buyer at the time

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of purchase. No one would begrudge a Rolling Stones fan who has become ill the day before the show the opportunity to sell their ticket on to someone else. However, there are an increasing number of people buying tickets with absolutely no intention of going to the event. Instead, these career touts buy tickets solely with the intention of denying them to real fans, whom they can then squeeze for profit by reselling them the tickets to the "sold out" event.

#### Sophisticated Touting

Furthermore, this situation is not limited to the fans who simply waited too long to buy the tickets. With internet ticket selling becoming more streamlined, touts are able to use sophisticated computer systems to automatically buy large volumes of tickets mere seconds or minutes after they go online. This can often mean it is practically impossible for genuine fans to get access to the event, forcing them to rely on an artificially created secondary market and depriving the content creators of the revenue for their event. This is unacceptable.

Full event details and latest news online at [www.ticketingtechnologyforum.com](http://www.ticketingtechnologyforum.com)

I supported Sharon Hodgson's Private Member's Bill on Ticket Touting in 2011, with its sensible suggestion that the profits from reselling should be limited to 10% more than the face value of the ticket – a solution that has already been adopted in certain Australian states.

## Genuine Solutions

Even for those who have not personally had experience with ticket touts, the extent of the problem is illustrated by the lengths to which they go to subvert ticketing controls. A potential solution to touting, which has been adopted by some venues already, is to use credit card verification. Nevertheless, touts often generate such large profits from many events that even this method is ineffective.

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This, of course, doesn't begin to address the issue of completely fraudulent tickets. When people buy, or are driven to buy from a ticket reseller, they expose themselves to a great deal of risk. For instance, a not uncommon occurrence is for someone to buy tickets through a website that looks genuine, and then make travel and accommodation plans to attend the event, only to discover when they arrive at the venue that their tickets are actually fake.

## The Fake Ticket Problem

The Metropolitan Police published a comprehensive report on fraudulent ticketing and the dangers it posed to the Olympics, which specifically cites ticket fraud, touting and ticket reselling websites as areas of concern. Amongst several issues, the Met noted that websites with their servers based overseas were causing serious problems by advertising fraudulent tickets and then making it very difficult for law enforcement agencies to track the offenders or shut down illegal sites. The report stressed, as I do, the need for an open and transparent system for ticket reselling with clear and appropriate regulations.

Transparency is the key to protecting not just the content creators, but also the ticket buyers from dubious and misleading transactions. For instance, it is very common in the entertainment industries for all or part of the fee for the professionals involved in the event to be paid in tickets. The venue might be paid in tickets to a corporate box, or a promoter or manager might be given them as part of their

fee. This is done with the tacit understanding that the recipients of these tickets will subsequently be able to sell them on for significantly more than the face value. It is, of course, the prerogative of the content creators if they wish to do this, but it should be done on a transparent basis.

## Fair Free Market Economics

I am aware that some of my colleagues have suggested that trying to regulate ticket touting is an interference in the natural free market. However to say this is to misunderstand one of the key principles of the free market: the ability for the market to respond to demand by increasing supply. In the case of sports matches or live music, there is no way to increase the supply. There are only so many games in the season and bands can only play so many dates.

This is why it is so important for the content creators to be in control of how their tickets are sold. This doesn't in any way infringe on their rights to charge however much they want for the tickets, as long as it's part of a transparent and well regulated system which works in the best interest of fans and performers.

For more information about the APPG on Ticket Abuse, please contact my Westminster office [here](#).

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Join Mike at **Ticketing Technology Forum, 18-19th March 2014 in London.**

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