

Department for Business, Innovation and Skills consultation on Terms & Conditions and Consumer Protection Fining Powers – Submission by the Sport and Recreation Alliance

The Sport and Recreation Alliance

The Sport and Recreation Alliance is the independent umbrella organisation for the national governing and representative bodies of sport and recreation in the UK. We have over 320 members drawn from across the sport and recreation sector; from organisations like the Football Association and the Rugby Football Union through to British Rowing and The Ramblers. We exist to provide an independent voice for the sector, to protect and promote our members' interests and to deliver outstanding services to support our member organisations.

The role of our members as event organisers

The Alliance has a number of members that organise major national and international sporting events, in particular the Football Association, the England and Wales Cricket Board, the Rugby Football Union, the Rugby Football League, the British Horseracing Authority, UK Athletics and the Lawn Tennis Association. In this context, while the Alliance response is intended to represent the views of the sport sector as a whole, we would nonetheless encourage you to consider our submission alongside the individual responses from our members as they will highlight specific issues based on practical experience of organising and managing ticketing and associated Terms & Conditions around particular events.

General comments

Before turning to the operation of existing legislation and regulations covering Terms & Conditions we would make the following general comments:

- **Sports governing bodies regularly use Terms & Conditions for sales of goods and services, including tickets for live sports matches.** We recognise the importance to sports governing bodies of being able to offer opportunities for members of the public to purchase tickets to watch live matches, and its impact on the promotion of sport and levels of grassroots participation.
- **Sports governing bodies do not set ticket prices to profit maximise.** Tickets for sporting events are priced at levels designed to ensure specific groups of fans – often those on low incomes and families – can afford to attend and also with a view to sustaining long-term, repeated demand so that revenue can be reinvested for the long-term benefit of the sport. Furthermore, event organisers are keen to ensure audiences are diverse as possible given the importance of major sporting events to our national culture and their ability to inspire young people to participate in sport. As a result, ticket prices are not set to deliver a 'one-shot' profit maximisation but rather prices are set at a range of levels, some well below the level many people are willing to pay. By its very nature, this approach to pricing means that there will be some consumers that buy in the primary market who will seek to take

advantage of this differential by reselling tickets on the secondary market for more than the face value. In our view, the secondary market should, so far as possible, be a mechanism to resell tickets at the agreed primary market price (or below), not a means of extracting and appropriating the additional value. The use of Terms & Conditions in relation to resale of tickets are significant to this end.

- **The Sport and Recreation Alliance welcomed provisions on secondary ticketing contained within the Consumer Rights Act 2015, but issues remain around compliance and enforcement.** The experience of event organisers so far is that enforcement of the Chapter 5 provisions is patchy and this is backed up by the results of the recent *Which?* study into secondary platforms which demonstrated that many sellers are omitting key information about themselves and the tickets they list for sale. This lack of information makes it difficult for event organisers to engage local trading standards authorities to take action in relation to compliance and enforcement of the Consumer Rights Act 2015.

Comments on the current legislative arrangements regulating Terms & Conditions

We would make the following key points in relation to Terms & Conditions and the sale of tickets to sporting events:

- **The Consumer Rights Act 2015 is a step in the right direction but the Ch 5 provisions need to be enforced consistently and effectively.** We are concerned that a lack of enforcement of legislation of this kind sets a very worrying precedent and could encourage malpractice more widely if there is a lack of confidence that provisions will be robustly enforced. In this context we believe that Government should do more to support local enforcement authorities and that it would be more sensible for the Competition and Markets Authority to be given direct responsibility for enforcing the Ch 5 provisions. We also believe that the penalties contained within Ch 5 s 93 are not sufficiently severe to act as an effective deterrent.
- **Sports governing bodies have made efforts to improve their approach to ticketing but more needs to be done by secondary ticketing platforms.** A number of sports governing bodies have responded positively to the Consumer Rights Act 2015 by updating their ticket terms and conditions to make them fit for purpose and by providing buyers with information about the ticket (e.g. seat number and block) at the point of purchase before the ticket is physically in their possession. The latter development in particular should ensure that individuals seeking to resell a ticket can no longer have any excuse for not providing the information required by law. As governing bodies have made changes, so we would like to see a similar, proactive approach from secondary ticketing platforms. For example, platforms could make it impossible for sellers to list tickets for resale without first providing the required information through use of mandatory information fields or similar. Similarly, platforms could provide clearer information to resellers and consumers about the changes to the law and the obligations on both platforms and sellers to provide specific information about tickets that are listed.
- **Terms & Conditions need to be transparent, visible and easy to understand.** A number of our members already provide succinct, bold and up front Terms & Conditions, which encourages customers to read them. Specifically, the RFU also provides guidance documents for its ticketing Terms & Conditions, and a summary on the back of the tickets themselves.

**Sport and Recreation Alliance
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