

Secondary ticketing: Italian Competition Authority imposes 1.7 million € fines on five companies for unfair commercial practices

On 5 April 2017 the **Italian Competition Authority (AGCM)** closed formal proceedings against five companies **Ticketone SpA**, the company selling online tickets for shows and leisure events, and **four companies operating in the online secondary ticketing market: Viagogo (based in Switzerland), Ticketbis (Spain), Mywayticket (Switzerland) and Seatwave (UK)**. The proceedings had been started in October 2016 for alleged unfair commercial practices.

Several consumers complained that concert tickets would quickly sell out on the primary market, and become immediately available on the secondary market at inflated prices. More specifically, this happened with concerts in Italy of famous pop stars (Coldplay, One Direction, Foo Fighters, Red Hot Chili Peppers, Bruce Springsteen, Adele, David Gilmour): tickets were sold out very few minutes after the primary seller, Ticketone, put them on sale online and were then resold by secondary ticketing platforms at sky-high prices.

Investigations were carried out also through on-site inspections on the premises of the phone companies and of call center, supported by the Italian Finance Police (Guardia di Finanza), as usual. Investigations showed that ticket touting for the most important entertainment events in Italy stemmed also from the procedures that the primary seller, Ticketone, adopted for its online sales. Indeed, while it was contractually bound to adopt anti-touting measures, Ticketone did not take appropriate steps to prevent bulk buying through specialist software (bots), nor has it tried to limit multiple purchases or set up a system of ex post controls to cancel them. Even the measures introduced by Ticketone at a later stage were insufficient to prevent the problem. In the Authority's assessment, such omissions did not fulfill the requirements of fairness and good faith needed to ensure a smooth working of the primary ticketing market, thus depriving many consumers from the chance to buy tickets on the primary market. Therefore, Ticketone's commercial practice was found **contrary to the requirement of professional diligence, set by article 20(2) of the Italian Consumer Code (corresponding to article 5 of the EU Unfair Commercial Practices Directive - UCPD)**, and the company was **fined one million euros**.

At the same time, four investigations were carried out on online secondary market traders (the companies Seatwave, Viagogo Ticketbis, e Mywayticket). It emerged that these platforms provided incomplete or incorrect information to consumers, concerning several essential elements which potential buyers need to make their transactional decisions, specifically: ticket features (including their face value), the row and the seat, consumer rights in case of the event's cancellation, the traders' identity (their websites did not clarify that these traders were mere intermediaries on the secondary market – they presented themselves as “official site”, “virtual market

for exchanging tickets”, “leading platform, transparent and safe for selling and buying tickets”). Moreover, in some cases the price showed was different from the final price to be paid by the consumer, as add-ons were not specified (*drip pricing*). Those conducts were assessed by the Authority as **misleading commercial practices infringing articles 20, 21 and 22 of the Italian Consumer Code – corresponding to articles 5, 6 and 7 of the EU UCPD. Fines totaling 700,000 euros** were imposed on those four secondary ticketing traders.

The press release in Italian, with the links to full text in Italian of the five decisions as well as to the English version of the press release, can be found at the Authority’s webpage: <http://www.agcm.it/stampa/comunicati/8704-ps8035.html>