



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC INVESTIGATION LEADS TO CLEARER TICKET PRICING

Ticketek and Ticketmaster have improved their pricing practices in response to concerns raised by the Australian Competition and Consumer Commission as part of its drip pricing investigation.

The ACCC had identified instances where it considered that these companies had failed to state single minimum total prices. The two ticketing companies will now include unavoidable fees in prices earlier in the online booking process.

“Although the law does not prevent traders from charging fees, it does require that they are disclosed clearly to avoid consumers being misled. Drip feeding consumers with hidden charges has the potential to cause detriment to competition and to consumers,” ACCC Chairman Rod Sims.

The Australian Consumer Law requires that when businesses present prices to customers, they must state the total price of the good or service as a single figure. The total price needs to be displayed at least as prominently as any part price, and should include any compulsory fee, tax, duty, levy or other additional charge applied to a transaction.

“The steps taken by these ticketing companies should give consumers more clarity up front about the total cost of buying tickets for entertainment events,” Mr Sims said.

There were three types of ticketing fees considered during the ACCC’s investigation:

- Payment Processing Fee – a fee applied to certain events by both ticketing companies for purchases made by credit or debit card. This fee does not apply to purchases made in person at their ticketing offices or outlets when using cash or when redeeming Ticketek or Ticketmaster gift vouchers.
- Ticketek’s Service/Delivery Fee – a per transaction fee applied to certain events. This fee varies depending on choice of ticket delivery method, and where applied this fee is unavoidable regardless of payment method.
- Ticketmaster’s Handling Fee – a per transaction fee applied to certain events. Where applied, this fee is also unavoidable regardless of payment method.

The ticketing companies cooperated with the ACCC during its investigation. To address the concerns raised the businesses now incorporate their minimum Payment Processing Fees into the per ticket prices they display on their websites.

Ticketek also now incorporates its Service/Delivery Fee into the total price displayed as soon as it is calculable, which it considers to be once the customer has selected the number of tickets for purchase and the delivery method. Similarly, Ticketmaster now incorporates its Handling Fee into the total price displayed once the user has selected the total number of tickets for purchase.

Consumers can follow these tips to avoid paying more than initially expected:

- **Be aware** of misleading drip pricing practices when shopping online for services, particularly in the airline, ticketing, accommodation and vehicle rental sectors.
- **Shop around** and be aware that you may need to pay more than what was advertised. Consider ALL the charges together. Don't just focus on the advertised price – the cheapest advertised price may not be the cheapest final price.
- **Be prepared to back out** of the transaction, especially when you start to encounter additional charges.
- **Look out for pre-selections** and make sure you reject anything you do not want to purchase. Thoroughly check your booking before you make any final payments.

Background

Drip pricing is where a headline price is advertised at the beginning of an online purchasing process and additional fees and charges (which may be unavoidable for consumers) are then incrementally disclosed (or 'dripped'). This can result in consumers paying a higher price than the advertised price or spending more than they realise. Further consumer advice is available at <http://www.accc.gov.au/consumers/online-shopping/drip-pricing>

The outcome achieved in these ticketing matters follows the ACCC's action earlier this year. On 19 June 2014, the Australian Competition and Consumer Commission instituted separate proceedings in the Federal Court against Jetstar Airways Pty Ltd (Jetstar) and Virgin Australia Airlines Pty Ltd (Virgin), alleging that each airline engaged in misleading or deceptive conduct and made false or misleading representations in relation to particular airfares <http://www.accc.gov.au/media-release/accc-takes-action-against-jetstar-and-virgin-for-drip-pricing-practices>

The ACCC has also been in contact with Live Performance Australia (LPA), the industry association representing employers in Australia's live performance industry. LPA has been responsible for producing a Ticketing Code of Practice for its members since 2001. It has worked with the ACCC to alert its members about drip pricing issues and the importance of compliance with the Australian Consumer Law. LPA has also directed its members to free online consumer law training provided by the ACCC at www.ccaeducationprograms.org

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