



## Important reminder about obligations under the Ticketing Code and Australian Consumer Law

Dear Member,

A number of practices have been brought to LPA's attention that raise concerns about compliance with the Ticketing Code of Practice and Australian Consumer Law (ACL). Some of these concerns have been raised with LPA by ACL regulators.

### KEY ISSUES

#### 1. New online payment systems and advancing consumer monies

The Ticketing Code requires members to hold ticket proceeds in an account, specifically opened for that purpose, until the event has been successfully delivered. This requirement is in place to ensure consumer monies are available immediately for refunds if required under the Ticketing Code and ACL. There are limited situations where it may be reasonable for consumer monies to be advanced (e.g. the event organiser has a bank guarantee to the amount equal to the amount being advanced).

LPA is aware that there is a growing use of new online payment systems (such as PayPal, Stripe) for ticketing purposes. These online payment systems allow event organisers to gain access to consumer monies in advance of an event. **Unless these funds are held in an account specifically opened for that purpose until after the event, or there are guarantees in place to honour refund obligations, the use of these online payment systems may not comply with the Ticketing Code.**

#### 2. No refunds or exchanges

**It is illegal to use unqualified phrases like 'No refunds or exchanges'**, as such phrases fail to acknowledge consumers' rights to a full/partial refund or other remedy under ACL.

**Please review your terms and conditions, FAQs and other relevant materials to ensure you are lawfully expressing consumers' rights to refunds.**

#### 3. Drop in value of service

Despite the best pre-event planning, sometimes issues arise during events that are outside the control of the consumer and results in the consumer not receiving the promised event experience. For example, due to excessively long queues to buy food and drink, a consumer missed a significant portion of the entertainment line-up.

In these situations, event organisers should consider offering partial refunds due to a 'drop in value' of service, calculated on a case-by-case basis, according to the proportion of the service the consumer received.

#### 4. Social media feedback

Unless there are appropriate legal reasons for doing so, **removing or hiding negative feedback on social media may be considered misleading and deceptive conduct under ACL.**

ACL regulators have previously taken enforcement actions against businesses that manipulate consumer reviews and will continue to do so.

#### 5. Cashless wristbands

If cashless wristbands are used at events, consumers must be made aware upfront of important terms, conditions and fees associated with using the cashless wristbands (e.g. fees for refunding remaining funds on the wristband after the event). **Non-disclosure upfront of important information about cashless wristbands may be misleading and deceptive conduct under ACL.**

### FOR MORE INFORMATION

If you have any queries related to the Ticketing Code and ACL, please contact **Kim Tran**, LPA's Director, Policy & Governance via [email](#) or on 03 8614 2000.



[Live Performance Australia](#)

Level 1, 15-17 Queen Street  
Melbourne, VIC 3000  
Australia

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Ph: +61 3 8614 2000

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