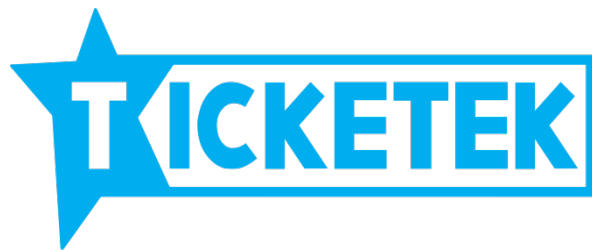


Submission to NSW Fair Trading on the NSW Complaints Register



MAY 2018

INTRODUCTION

As the leading supplier of ticketing services in the sports and live entertainment industry in Australia and New Zealand, Ticketek has prepared this submission to provide our views on the NSW Fair Trading Complaints Register (the '**Register**') and how it can be improved to be a more effective tool for consumers.

While we are supporters of increasing transparency in relation to the performance of businesses throughout NSW, this transparency must be delivered in an effective manner to ensure that consumers are properly informed.

Without changes to the current Register guidelines, consumers will be unable to properly use this tool to guide their purchasing decisions and properly identify businesses that strive for customer satisfaction.

Set out below are the key issues in relation to the Register. Ticketek calls on NSW Fair Trading to have regard to the issues outlined and seek to take the action recommended.

EXECUTIVE SUMMARY

1. NSW Fair Trading ('**NSWFT**') should ensure the complaints made to the Register have a substantive basis and are made against the correct business.
2. To lessen the administrative burden on NSWFT and ensure a more accurate Register, consumers should be required to make complaints directly to a business in the first instance.
3. The Register should display only unresolved complaints, to add an incentive for businesses to resolve complaints quickly and effectively.
4. NSWFT should explore options to amend the complaints threshold to be relative to the volume of transactions a business processes.
5. Businesses should be provided with 5 business days' notice before appearing on the Register, and be given an opportunity to appeal complaints.

1 VALID COMPLAINTS

- a) Whilst Ticketek notes that the definition of a complaint under the Register is not for review in this current process, our position is that the Register would be more effective if only complaints that are confirmed to be valid are counted towards the threshold.
- b) The current process on the part of NSWFT in validating a complaint is limited to confirming that the consumer has had an interaction with the business. This is an incredibly low threshold, that all too easily allows vexatious complainants to damage the integrity of the Register.
- c) Complaints that should not be taken into account for the purpose of the Register include:
 - i. Complaints made against the incorrect business (as discussed further in item 6 below);
 - ii. Complaints made that are clearly the result of customer error; and
 - iii. Complaints made that have no substantive basis.

Ticketek's recommendation: NSWFT adopts a narrower scope as to what complaints are counted for the purpose of the Register.

2 INITIAL COMPLAINTS MADE TO BUSINESSES

- a) The current Register guidelines do not require a consumer to raise a complaint with a business before registering a complaint with NSWFT. This can result in businesses being penalised for a number of complaints that could be resolved by the business in the first instance if a complaint is made known to them.
- b) If the Register guidelines are amended to include a requirement of first trying to resolve a complaint with the relevant business, there will be a reduction in the complaints that are processed by NSWFT. Not only will this lead to a faster resolution of the complaint for the customer, it will also reduce the administrative burden on NSWFT.
- c) Additionally, it is Ticketek's position that as part of this requirement to make a complaint directly to the business in the first instance, this complaint should be in accordance with the business's complaints procedure. For example, Ticketek processes complaints primarily through our email contact channel. This allows us to have a clear written description of the complaint, and escalate it to the correct person within the business.

Ticketek's recommendation: NSWFT should direct consumers to make complaints to the business in the first instance, using their complaints procedure.

3 A FOCUS ON UNRESOLVED COMPLAINTS

- a) Currently, all complaints received by NSWFT are counted towards the number of complaints displayed on the Register. This practice provides no incentive for businesses to resolve complaints once they have been received by NSWFT, particular when such complaints are on the basis of customer dissatisfaction as opposed to any regulatory breaches.
- b) Additionally, by displaying all complaints received, consumers are unable to identify which businesses are more likely to resolve complaints once they are received by the business. An important indicator of how a business deals with consumers is how effectively the business

resolves customer complaints, and the current Register does not provide consumers with this information.

- c) The usefulness of the Register would be greatly increased by limiting the entries to those businesses who have excessive unresolved complaints each month. To be clear, Ticketek is not suggesting that consumer be denied the opportunity to complain about unresolved issues with businesses. Instead, we would assert that the value of the Register is enhanced for the public if it only listed unresolved complaints.

Ticketek's recommendation: Limit the Register to only include unresolved complaints.

4 VOLUME OF COMPLAINTS VS COMPLAINTS THRESHOLD

- a) Given the variety in the size of businesses in NSW, Ticketek is concerned that the 10 complaint threshold to appear on the Register is problematic. Businesses that have a high transaction volume with customers are more likely to make the Register than smaller businesses, despite the fact they may have a lower percentage of customers that lodge complaints.
- b) Ticketek is particularly concerned about how our business is impacted by this issue, given our volume of ticket transactions for events held in NSW. By way of example, in October 2017 alone, Ticketek sold over 500,000 tickets to NSW events and NSWFT received only 18 complaints against Ticketek. This translates to a percentage of less than 0.004%.
- c) By not providing a sense of scale on the Register, consumers are unable to determine the likelihood of having a positive or negative experience with a NSW business.
- d) Whilst this is not a simple issue to resolve, some suggested ways to combat this are:
 - i. Reporting complaints as a percentage of average monthly transactions; or
 - ii. Create tiers of businesses based on their size, and set the Register threshold accordingly for each tier.

Ticketek's recommendation: Explore new ways to set the threshold in relation to the transaction volume of businesses on the Register.

5 BUSINESS APPEAL AGAINST COMPLAINTS

- a) Whilst Ticketek agrees with the need for a consumer driven Register, we believe there is scope to allow for businesses to appeal complaints that are counted in the Register.
- b) On various occasions since the establishment of the Register, Ticketek has had productive discussions with NSWFT in relation to specific complaints that have been incorrectly made, which has resulted in complaints being removed from the Register. However, the inconsistency of this process has led to uncertainty as to what complaints will appear on the Register.
- c) Where businesses are to appear on the Register, NSWFT currently provide 3 business days' notice. Ticketek believes this should be extended to at least 5 business days to allow time for relevant correspondence between NSWFT and the relevant business, and additionally to create a formal appeals process that allows businesses to appeal complaints.

Ticketek's recommendation: Extend notice of appearing on the Register to at least 5 business days, and create an appeals process.

6 CONCLUSION – TICKETING INDUSTRY

- a) As has been discussed with NSWFT on various occasions and outlined in writing, the ticketing industry is a unique structure with various stakeholders responsible for different parts of the ticketing purchase.
- b) Ticketek acts as agent for Venues and Promoters, who provide Ticketek with pricing, seating categories, seat maps, on-sale dates and other information, which Ticketek then uses to sell tickets to the public. As such, Ticketek is the sole touch point for consumers who are purchasing tickets to events held by Venues and Promoters, which results in Ticketek receiving an unfair proportion of complaints relating to live events.
- c) On numerous occasions, complaints have been made against Ticketek to NSWFT in relation to matters that are out of our control, for example ticket pricing and seating categories. For example, in October 2017 as referenced in item 4(b) of this submission, several of the complaints were in relation to the seating maps used for the Bruno Mars event, which were provided by the Promoter, Live Nation. In this instance, it would be more accurate to attribute these complaints to the Promoter.
- d) Whilst we have engaged in discussions with NSWFT on these relevant complaints and provided information as to the businesses that the complaints should be attributed to, NSWFT has been hesitant in attributing such complaints to the relevant Venue or Promoter. Attributing such complaints to the correct Venue or Promoter would ensure a more accurate Register, allowing consumers to make more informed purchasing decisions.

Ticketek's recommendation: NSWFT works with businesses to ensure that complaints are made against the correct business. Ticketek welcomes the opportunity to discuss this matter further with NSWFT to provide a clearer picture of the relevant business practices in our industry.