



**competition commission**  
*south africa*

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## **COMPUTICKET AGREES TO PAY R11.3m AS A SECOND FINE FOR ALLEGED ABUSE OF DOMINANCE**

The Competition Commission (Commission), Computicket (Pty) Ltd (Computicket) and Shoprite Checkers (Pty) Ltd (Shoprite) have on Wednesday 25 May 2022 reached a settlement agreement in terms of which Computicket agreed to pay a fine of R11 317,000 00 (eleven million, three hundred and seventeen thousand Rand) to settle a second prosecution against it by the Commission for alleged abuse of dominance in contravention of section 8(d)(i) or 8(c) of Competition Act. Section 8(d)(i) or 8(c) of the Competition Act prohibits a dominant firm from abusing its dominance by excluding its competitors from entry, participation, and expansion in a market. Computicket is a wholly owned subsidiary of Shoprite, a national retailer. Computicket distributes tickets for, among others, entertainment events, bus, flights, hotel accommodation, and holiday packages.

The alleged abuse of dominance entailed Computicket entering into exclusive agreements with inventory providers (such as theatres, promoters, and other event organisers) between the period January 2013 to June 2018 in terms of which Computicket was appointed as the sole provider of outsourced ticketing services to inventory providers. The Commission found that the effect of the exclusive agreements concluded between Computicket and inventory providers was to exclude competitors of Computicket from entering into or expanding in the market for outsourced ticket services, and depriving end-consumers of choice.

The Commission found that Computicket had entered into and enforced exclusive agreements with a significant majority of inventory providers, and accordingly decided to refer the matter to the Competition Tribunal for prosecution.

The settlement between the parties records that the exclusivity provisions in Computicket's agreements have, from 23 October 2019, been removed, and takes cognisance of the changes in the events sector and market generally. This includes the successful entry of several outsourced ticket distribution firms since the Commission's previous successful prosecution of Computicket for similar conduct.

In the previous prosecution by the Commission, on 21 January 2019, the Tribunal imposed a fine of R20 million against Computicket for the same contravention - the only difference being that the period of the contravention was between 2005 – 2010. The Tribunal's finding against Computicket in the previous prosecution was endorsed on appeal by the Competition Appeal Court.

The recent settlement agreement concluded between the Commission and Computicket is subject to confirmation by the Competition Tribunal.

“The Commission is pleased that its previous and present prosecutions against Computicket have yielded significant, and lasting change to the outsourced ticket distribution landscape in South Africa, which was under the stranglehold of Computicket through its strategy of locking-in customers in exclusive agreements. These agreements have contributed to the opening up of the outsourced ticket distribution market to competition” said Tembinkosi Bonakele, Competition Commissioner.

**[ENDS]**

**Issued by:**

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