The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Even Russians Need a Visa for Sochi

By Irina Filatova

February 13, 2013

The view of Sochi from the sea shows widespread, rapid development ahead of the upcoming Olympics.

If you're the lucky owner of tickets for the most popular competitions at next year's Winter Olympics in Sochi, then you must be a holder of a Visa card and have reflexes quick enough to have snagged one of the coveted seats in the stands.

The Organizing Committee of the games launched online tickets sale last week, a year before the event. But the long-awaited kickoff turned into a disappointment for some Olympic fans, who faced problems trying to make a purchase.

Shortly before sales started, the Organizing Committee posted a statement on its website saying that only cards issued by Visa would be accepted as payment for tickets. Furthermore, Visa, a longtime sponsor of the Olympics, will enjoy a monopoly for payments for goods and services at the Sochi venues.

Visitors are also offered to visit Visa's Russian website — with a link provided — to learn how to obtain a card.

Both the company and the Russian competition watchdog said the exclusive setup is not a violation of anti-monopoly legislation, since it falls within the national Olympic law regulating sponsorship of the event.

"Sponsorship is enormously important to commercially support the games," Visa's chief executive for Russia and CIS, Steven Parker, said at a news conference Wednesday.

Visa is one of the top 10 companies that support the Olympic Games globally, and those companies obtain certain exclusivity rights in exchange for their sponsorship, he said.

In an effort to facilitate sports development in Russia, Visa and Sberbank, the other exclusive financial services sponsor of the Games, began issuing a new debit card that will provide monetary support to the national Olympic team.

During the first year of a card's operation, Sberbank will automatically donate 50 percent of the annual maintenance fee to the Russian Olympic Committee, the companies said in a joint statement Wednesday. It will also pass on 0.3 percent of every payment made with the card.

The card will be valid for three years and have an annual fee of 1,000 rubles ($33) for the first year, going down to 450 rubles after that, the statement said.

The Russian Olympic Committee is expected to rake in at least 50 million rubles a year from the program, according the estimates by Sberbank, company vice president Anatoly Popov said at the news conference.

Visa has sponsored the Olympics since 1988, when the Winter Games were held in Calgary, Canada.

Other major sponsors include Coca-Cola, McDonald's, Panasonic, Samsung and Procter & Gamble, according to the official website of the Olympic movement. The funds generated by the sponsoring companies account for 40 percent of total Olympic revenues, the website says.

Parker and the Federal Anti-Monopoly Service cited a law passed in 2007. It states that a monopoly for services by companies sponsoring the event as part of their agreements with the International Olympic Committee and the local Organizing Committee is not considered unfair competition.

However, the cozy setup didn't find support from the Consumer Rights Protection Society, a nongovernmental organization, which says Visa's monopoly during the games contradicts consumer rights legislation.

"It's an outrageous violation of consumer rights," said Sergei Yemelyanov, a lawyer for the society.

An obligation to obtain certain goods or services to purchase other goods or services is forbidden by law, he said.

Furthermore, simply possessing a Visa card didn't guarantee ability to buy tickets for the

games, and many Olympic fans say they struggled to pay for their purchases because of errors in the online payment system.

Some customers complained on social networks and in online forums that they couldn't complete ticket purchases because the system rejected Visa cards not issued by Sberbank.

For example, the online payment system failed to recognize cards issued by the other state-owned lender, VTB, users of social network VKontakte said in a Sochi-2014 chat group.

In a more glaring example of teething pains, some Olympics fans complained that they didn't get confirmation of the purchase even after their cards were charged.

VKontakte user Andrei Izosin described his experience of paying with a Visa card for the tickets he was trying to buy on Feb. 7.

"The money was charged, but the website showed an error saying that it wasn't a Visa card and offered to use a different card. The ticket order was canceled," Novy Region news agency quoted him as saying. "I'm shocked. I have neither tickets nor my money."

Banks returned money to some customers facing similar problems, while others are still waiting, Novy Region reported.

The requirement by the Russian Olympic Committee to use cards to purchase tickets apparently leaves some potential customers out in the cold, since the domestic market for electronic payments is still underdeveloped.

Only 51 percent of Russians had bank-issued cards as of April 2011, while 40 percent didn't use them and had no intention of obtaining one, Interfax reported in November, citing the latest survey by the National Agency for Financial Studies.

Also, 23 percent of those surveyed said they didn't know how to use a card, while 8 percent said they don't use cards because it's always difficult to find an ATM, the survey said.

Sberbank's Popov vowed that there won't be a lack of ATMs at the Olympic venues in Sochi.

The lender plans to open six local offices, in line with the requirements by the International Olympic Committee, he said, adding that 30 mobile offices will also be available.

Despite the problems related to cards, tickets for the opening and closing ceremonies and competitions that are traditionally in high demand were sold out within the first hour, leaving tardy fans empty-handed.

"No more tickets. ... Those for the most interesting competitions ran out within a few hours," VKontakte user Tatyana Razgulyayeva said in the Sochi-2014 group on Feb. 7, when sales started.

"What are you talking about? Within an hour, not a few hours!" said another user, Dmitry Ryzhkov.

Prices on the Organizing Committee's website start at 500 rubles for seats in the most remote

sections.

The rates ranged from 6,000 rubles to 50,000 rubles for the opening ceremony and from 4,500 rubles to 37,000 rubles for the closing ceremony. Tickets for both events were sold out as of Wednesday evening.

Alexander Zhukov, head of the Russian Olympic Committee, told Vechernyaya Moskva newspaper earlier this week that the deficit is understandable, since those events are usually the highlights of the Olympics.

The Organizing Committee is likely to offer an additional lot of tickets sometime soon, he said.

Tickets were available in some price categories Wednesday for women's hockey, curling, speed skating, bobsledding and skeleton.

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