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Dinner for 2p? The restaurant that lets you name your price

Customers at one London restaurant can pay what they think their food is worth. Some diners have less shame than others



Vincent Graff

Here's a peculiar sight: it's a bitterly cold Tuesday evening, at the start of a recession, and I'm watching the manager of a London restaurant turning customers away. "Do you have a booking, sir?" Sir does not. "Then I'm afraid we don't have a table for you." There may be a look of slight relief on the manager's face. He's quite frantic enough, thank you very much.

Here's an even more peculiar sight (although it rather explains the previous one): there is a blackboard outside the Little Bay restaurant, in Farringdon. Chalked upon it in large letters are the unambiguous words: "No food bills - pay us what you think the food is worth."

The owner is playing a game of chicken with his customers: how little can you pay me without losing your self-respect? Three weeks ago the restaurateur, Peter Ilic, stripped all the prices from his menus. It's a fascinating experiment that has sparked international interest (Ilic has been filmed by TV crews from Japan, Brazil, France and Mexico, and been written about in newspapers on at least four continents): will

British reserve, and the fear that we will shame ourselves by paying too little and appearing parsimonious, outweigh self-interest?

It's a repeat performance for Ilic - 24 years ago he did exactly the same thing at a restaurant that he then owned a few miles away in a well-to-do North London suburb. "Back then, people ended up on average paying more for the food than they would have done if the menu had been priced," he says. "I remember one occasion when seven people came over. They were in London for a conference and had been staying at the Savoy. They paid £50 a head in 1985 [which works out at £110 in today's money] for food and drink that would have cost them maybe £15 [£33]."

That was during an economic boom. It's not like that this time around. Over a glass of red wine, Ilic surveys the tables around him. The Yugoslav proprietor - he came to London 35 years ago - is amusingly candid about his experiment. "People are paying a little less than the regular prices at the moment." There's a wry smile. "I've somehow attracted a few students. But it's early days. They can only come once and pay a little - next time, they may be ashamed, I hope."

And the students aren't entirely ruining the maths. Drinks are not included in the "pay what you like" deal. Before the prices disappeared, the typical spend here was £18-£20 a head, including wine. Now the average figure is about £15 a head, Ilic claims. He says he treats his customers the same, whether they leave £20 or £50 - but then he would say that, wouldn't he?

"The lowest amount I have seen anyone leave is two pence. They had tap water. I think they came for a joke more than anything. The most anyone has left is £35 a head, without drinks for two courses." Given what they ate, that was two-and-a-half times what they "should" have paid.

My small and unscientific survey suggests that the amounts being taken tonight may be a little lower than Ilic's claimed £15 a head, but one thing is certainly true: turnover has shot sky high. By 9pm, the place is full - many tables for a second time. Ilic says he will do 2,000 covers this week - double his normal total. And the vast majority of punters have a bottle of wine on the table, so there's no need to fear for Ilic's bank balance. While his margins may be down, his profits are heading north.

I soon realise that there are unique problems - apart from the obvious peril of university students - that a restaurant faces when it uses menus without prices. First, it's pretty important that the diners write down the amount they have paid on their bill - how else do you know that the waiters are putting all the money through the till and not in their back pocket? (In fact, the serving staff do not seem to do well out of the deal. Not only are they worked off their feet, but many of the punters decide to pay a round figure for their food, and then add nothing on top for service.)

So what is the food inherently worth? Any economist will tell you that the question is meaningless - its value is whatever anyone will pay for it. But to make your own judgment, you'll want to know what an evening at the Little Bay is like.

In fact, it's a peculiar restaurant. Its prices before the experiment were midmarket, but that's because it's a place where upmarket touches such as foie gras and fillet steak are met by downmarket wipe-clean menus and a "fun" decor that you would

politely describe as baroque (think Roman gods, Tuscan plaster-effect walls, a turquoise satin ceiling and a rude sculpture on the stairs - and then some). More worryingly, every few minutes there's a crash of loud music and a resident opera singer bounces towards your table with a blast of *Nessun Dorma*. (Unsurprisingly, there are lots of big office groups here.)

The food, though, is good. My *moules marinières* were delicately flavoured, and the steak was juicy and tender. The other punters, too, have enjoyed their evenings - everyone from the group of students from University College London, who paid 70p a head for their food, to Henry, the young civil servant, who handed over £44 for a meal for two that last month would have cost him a fiver less. ("I was really nervous when we came to pay," says Henry, who allotted a notional value to every item on his bill. "We had a really nice meal, so we wanted to pay what we should. It's a little bit stressful.")

In between these extremes, there's a party of six who work in the back office of Morgan Stanley, who are here celebrating a birthday. ("They chose this place because of the deal," says the birthday girl, Joanna. "Cheap buggers.") This group leaves £10 a head for the food - though there's a £61 drinks bill on top. In general, it's the large groups who leave the least - by banding together as meanies, there's no individual shame in paying too little for your food.

Back to the skinflints of the day - the 70p-a-head UCL undergraduates. "We're not taking the piss," insists Frankie Lampl, a maths student, "because that's how they arranged the deal. You could pay a penny if you wanted to. In fact, before we arrived here our plan was to pay nothing at all. But we chickened out."

If you have a beef with your bill in a restaurant...

What are your rights and responsibilities if you're presented with a big bill for a meal you don't consider up to scratch?

Nick Lakeland, of the City law firm Silverman Sherliker, says: "When you order a meal, you're entering into a contract in the same way as when you buy something in a shop. If you're given a bill for £100 a head, and the veal has been described as the best on earth and it tastes like it was bought at the cheapest supermarket, theoretically you are within your rights not to leave the full amount.

"You need to make it plain that by withholding some of the money you are not committing an act of theft, explaining that you are disputing the value of the food because you don't consider it up to the standard that was promised by the menu.

"You could leave your name and address, and proof of ID, and explain to the restaurateur that if he disagrees with the value you've placed on the meal, he can sue you for the difference through the small claims court. If he did sue, and it came to court, the district judge would have to make a decision on which one of you he or she believes."

http://www.timesonline.co.uk/tol/life_and_style/food_and_drink/eating_out/article5767771.ece