



# Summary of stakeholder responses to ORR's update paper

November 2018

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## Summary

**This document provides a summary of responses to ORR's update paper on its market study into the supply of automatic ticket gates and ticket vending machines.**

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## Introduction

1. On 13 September 2018, ORR published an update paper on its market study into the supply of automatic ticket gates (ATGs) and ticket vending machines (TVMs).<sup>1</sup> In that report we invited submissions from stakeholders on the issues raised and the proposed remedies set out in the update paper. Stakeholders invited to respond included interested parties such as train operating companies, suppliers of ATGs and TVMs, potential new entrants and consumer groups. The deadline for responses was 11 October 2018.
2. In total to date, we received six responses from train operating companies (purchasers of ATGs and TVMs), suppliers of ATGs and TVMs, and third party retailers.
3. Two of the responses simply confirmed that they had no comments or concerns on the update paper.
4. We would like to thank all respondents for their helpful and constructive comments. Every response has been read and considered carefully.

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<sup>1</sup> <http://orr.gov.uk/rail/publications/research-and-studies/monitoring-markets/supply-of-automatic-ticket-gates-and-ticket-vending-machines-market-study>

## Summary of responses

5. Overall, stakeholders were supportive of ORR's work in this market, and the findings in the update paper. Some stakeholders were disappointed that the update paper did not cover certain issues that were outside the scope of the market study.
6. A number of stakeholders have suggested the following clarifications to the update paper:
  - With reference to paragraph 2.34 of the update paper, subway modernisation ought to refer to a replacement of ticket gates at all stations in 2013 (as opposed to an introduction of ticket gates, which the report might currently suggest);
  - With reference to Annex B – Accreditation (para B. 23 onwards), it might be more appropriate to refer to “smart customer media” in relation to smartcard and smartcard-related products (such as smartcard on a mobile phone, for example);
  - The impact of meeting the standards relating to debit and credit card payments on TVM costs to suppliers should be taken into account; and
  - There is an additional benefit of ATGs, namely that data on passenger journeys recorded by ATGs could be made available and prove useful for security purposes.
7. One stakeholder suggested that ORR should consider the potential benefits of train operating companies leasing pre-owned ATGs and TVMs rather than purchasing new equipment. They suggested that this procurement model would likely result in lower costs incurred by train operating companies.
8. Another stakeholder said that they had not yet experienced a “culture change” regarding RDG's accreditation process and stressed that it should be a level playing field available to anyone that meets RDG's accreditation criteria. They also suggested that rather than RDG, TIS suppliers could provide and manage the accreditation service.
9. A number of respondents raised points outside of the scope of the market study. For example, the lack of transparency of Ticket on Departure and barcode fulfilment fees and how these affect the cost of ATG and TVM equipment to retailers. One respondent also mentioned issues around the level of third party retailers' commission and access to discounted fares.

## Next Steps

10. We are grateful to respondents for their helpful comments and considered replies to the update paper. These responses have provided valuable information on issues we need to take account of, indicated where we need to further develop our thinking, and provided a range of suggestions for how we should progress our work on remedies.
11. The next step is to undertake work to identify possible remedies for the key issues identified in the update paper. We will engage with stakeholders in this process through workshops and individual meetings.



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