

Office of Rail Regulation - Retail market review for selling tickets

Executive Summary

The Campaign for Better Transport welcomes the opportunity to contribute to the Retail Market Review for selling tickets and we would like to thank the Office of Rail Regulation for this opportunity. Our approach to it is rooted in our role of seeking more sustainable transport policies and travel patterns: we believe that rail ticketing should be developed in ways that attract people to use the railways and reduce their car use. Our response will cover four areas:

- **Open Data** – The availability of data to new and existing ticket retailers is possibly the biggest issue at stake in this review. The Campaign for Better Transport wants the rail industry to take much greater steps towards transparency and the open availability of the data it holds.
- **Simplification** - of the UK rail ticketing system is crucial to ensure a functional railway system that is to be attractive and easy to use and understand by all for the 21st Century.
- **Product Availability** – The ‘Two-Together’ railcard - the first railcard for 30 years - was launched in March 2014. This is useful, but we believe there is a case for further cards and want to see blockages to introducing them addressed and cleared away
- **Value for Money** - With some of the most expensive train fares in Europe, value for money must be at the very heart of this Retail Market Review. Whilst the ORR does not manage the overall level of fares, it can influence the products and offers available and ultimately contribute greatly towards value for money for passengers.

1) What additional drivers (if any) of the review should be considered?

Open data in the rail industry: this is an increasingly important issue in the retail market for rail ticketing and it is clear that not all datasets are currently available to new and existing retailers.

There is a risk that passengers are not being made aware of the best priced tickets available due to complexity of the data and anomalies that exist such as split-ticketing. It is logical that with the awareness of split-ticketing ever increasing, these tickets should become mainstream and the prices made available via all ticketing outlets.

There should be opportunity for new retailers and innovation which could give passengers better value for money and better ticketing information. Removing barriers to market access should therefore be a priority for the review.

2) What is your view on the proposed scope of the review? What, if any, additional areas should be considered? What areas, if any, should not be considered?

The scope is comprehensive and does cover key specifics. However, as mentioned in the summary above the scope of the review should cover: **Open Data, Simplification, Product Availability** and **Value for Money**.

These important areas should be at the very heart of this review and we are concerned that the issues of open data and transparency are not mentioned once in the consultation document. We urge ORR to be more ambitious with the scope of this review - this is a rare opportunity to put in place changes that are important to ways in which the railways are used and accessed by travellers.

Open Data – Currently we are told by many that there are restrictions by ATOC limiting the data that is available to new or existing retailers, and the way this data is used. We believe that this potentially raises competition issues; in principle, data should be readily available to all ticketing retailers to enable competition and comparisons in this market. In the fast-moving world of new IT systems, there are a number of companies that believe that they could market rail services differently and in ways that would help existing users and attract new users to rail, but that the limits on data availability and use prevent this.

For fares, the routeing guide is still not totally accessible to new retailers, which severely limits new ticketing retailers. The reason for this is because the entire routeing guide is not digitised, which means that new retailers do not have the same access that ATOC has, and therefore the playing field is not level..

We believe that in principle there should be a level playing field for all retailers regarding open data and rail ticketing and urge the Office of Rail Regulation to champion this principle. . The new Rail Delivery Group could and should take more ambitious steps by allowing Open Data groups or Passenger Groups to become members and setting a clear timetable for making available as much data as possible.

Simplification – Railway ticketing is still profoundly complicated and needs simplifying. Despite recent changes, many customers find it difficult to get the best deal available or to get information on what that is. For long distance rail travel, the introduction of single leg ticketing is a welcome addition by the Government but there is much more work to be done by the rail industry.

The Office of Rail Regulation should work with DfT and ATOC to ensure that the cheapest ticket for a particular journey is clearly displayed and offered; over time the industry, backed by its funders and regulator, should ensure that the through fare never exceeds the sum of walk-on fares for individual legs of the journey.

Speeding up the introduction of smart ticketing should be a top priority which could revolutionise rail ticketing. The DfT have earmarked a 10-15 year timeframe for withdrawing magnetic tickets. We believe that the rail industry and TOCs in particular can help speed up this process considerably. The South East Flexible Ticketing Programme (SEFT) will run from April 2014 and we look forward to seeing how this programme works in practice.

Product Availability – Campaign for Better Transport welcomed the first railcard for thirty years being introduced in March 2014. The Two-Together railcard will hopefully encourage more people to travel on the train rather than take the car, as for many people who travel together the car has been the cheaper option.

National Railcard

The Campaign for Better Transport wants to see a National Rail Card for everyone. This could be sold for a one off fee and would be similar to the Network Railcard that is available in the South East. Similar National Railcard schemes have proven to be very popular and successful in countries like Germany and Switzerland.

Part-Time season tickets

In the Fares and Ticketing review in October 2013, there was an encouraging announcement that flexible season tickets for part-time workers would be trialled on a route into London. However since then no further announcements have been made on which route or operator will trial these and no indication on timetable has been provided.

Flexible tickets do not need to wait for smart cards. In Devon and Cornwall, carnet and part-time season ticket scheme work with traditional ticket rather than smart cards. The Devon and Cornwall scheme offers both a part-time season ticket and a 'ten for the price of nine' carnet ticket option. In this way passenger are able to pick the ticket that works best for their traveling pattern.

Pay the Difference

Campaign for Better Transport has been campaigning for a "pay the difference" system, whereby passengers with an advance ticket travelling on a different train to that they are booked on can pay the different in price for that service rather than buying a whole new ticket). We therefore welcome this issue explored in this consultation. We see no disadvantages for passengers – there will be the need to adjust revenue allocation systems within the railway, but this should not be allowed to veto change.

Advance tickets

These should be available for purchase up to a few minutes before the train's departure from its originating station, and make public the number of Advance tickets initially released for specific time bands. DfT should work with ATOC to amend the ticketing and settlement scheme so that individual train companies move to deliver this

Zonal Ticketing

We would like to see the introduction of a simple, zoned, integrated fare structure in metropolitan areas outside London, standardised across cities, with smartcards.

The ORR should work with the DfT, ATOC and Passenger Transport Executives (PTEs) in the main cities outside London to introduce new fare structures with tickets valid across operators, as recommended by the Competition Commission report on the bus market. We also want to see these smart tickets extend across modes, to facilitate door to door sustainable transport journeys. This should be a core aim of the DfT smart ticketing strategy.

Furthermore it should be a requirement that cheapest ticket for a particular journey is clearly offered at all ticket machines, on all online interfaces and at stations. It should also be a required that a through fare never exceeds the sum of walk-on fares for individual legs of the journey. The ORR should work with ATOC to ensure that station ticket machines are able to sell the cheapest tickets at any time.

3) What features of the GB retail market for tickets work well? What features of the retail market for tickets work less well for passengers and industry?

Areas that Work Well

E-Tickets

We welcome the selling by Train Operating Companies of e-tickets or mobile tickets. It is regrettable that on certain routes, such as on the West Coast Mainline, trials have been discontinued. Although GB rail ticketing is hugely complicated and anomalies are regularly found in the fares database, there are still features of e-tickets that work well.

Carnets

As mentioned above carnet tickets work very well on First Capital Connect routes into London and in Devon and Cornwall. These are a simple option that all TOCs could introduce while smart tickets are being rolled out.

Railcards

The current suite of railcards available is successful but we want to see more options available. Specifically a National Railcard for everyone (see below)

Areas that work less well

Third party retail confusion

Thetrainline.com is one of only a few third party retailers that sell tickets UK Train tickets apart from National Rail Enquiries. In fact The Train Line and National Rail Enquiries regularly get confused and conflated with each other by the public. In 2011, the Advertising Standards Agency¹ upheld a complaint that the thetrainline.com advertisement was misleading and responded as follows:

"we considered that some viewers may understand "Advance fares and selected routes only" to mean that thetrainline.com had compared their Advance tickets against Advance tickets available from other outlets."

Both National Rail Enquiries and The TrainLine.com are widely recognised as sites that search all of the train company prices and find the best deal for rail users. However the reality is that there is still one central pricing structure/reservation system and the same prices are being queried everywhere. The important exception to this being TOC Advance fares which can be found both on NRE and each individual TOC site, but not on thetrainline.com (or any other third-party retailer).

4) Are there examples of particularly innovative retailing approaches from rail markets elsewhere or other sectors that could be relevant to the GB rail market?

National Railcard for All

The Bahncard in Germany is over 20 years old, over 4.8 million people use the 25, 50 or 100 percent discount cards available. This suite of railcards encourages people to use the train rather than the car, is available to anyone and has proven how a scheme like this can and does work successfully.

5) What are your views on the proposed timetable and approach to the review?

The proposed timetable to the review is acceptable and it is good that it has been split into two separate stages.

Martin Abrams
Campaign for Better Transport

Campaign for Better Transport's vision is a country where communities have affordable transport that improves quality of life and protects the environment. Achieving our vision requires substantial changes to UK transport policy which we aim to achieve by providing well-researched, practical solutions that gain support from both decision-makers and the public.

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¹ http://www.asa.org.uk/Rulings/Adjudications/2011/9/Trainline,-d-,com-Ltd/SHP_ADJ_158295.aspx