

10 March 2017

FAO Marcus Clements  
ORR  
One Kemble Street  
London  
WC2B 4AN

Dear Marcus

Thank you for the findings of your February 2017 Ticket Vending Machine Review which we are pleased acknowledges the good progress the industry is making, and helps highlight the areas we remain focused on continuing to improve.

At the heart of the RDG vision is the customer and the continual goal of improving the customer experience across the whole end-to-end journey based on customer feedback and insight. Complexity of the fares system is a key pain point for customers, and is why RDG is championing fares reform to improve the purchasing and overall customer experience. Fares Reform would address the issues at source and significantly benefit the vast majority of customers, giving them confidence and trust they are getting the right ticket.

Train companies want customers to get the right ticket for their journey at the best possible price every time they travel, and are taking radical steps to make it easier to do just that. The current complex fares structure – built up over decades, with layers of well-intentioned government rules covering rail fares that pre-dated online retailing - is potentially confusing for some customers, and can lead to them sometimes not getting the most appropriate ticket for their journey. The industry has long pushed for major fares reform so that the complete customer proposition around buying tickets and travelling is simple and easy.

To cut through this historic complexity, the Fares Forum Working Group, of which you are a key member, agreed some strategic pilots to look at the wider simplification of fares and retailing, as well as several tactical improvements. The industry welcomes acceptance and support of these key initiatives by the Minister. In terms of costs, we recognise that there will be winners and losers and that we need to deal with this in a way which doesn't continue to prevent much needed reform. The industry will manage this carefully through the continued implementation of pilot schemes to prove future fares reform initiatives.

We welcome the ORRs “Five areas of ‘measuring up’” which are areas in which we are already making good progress through existing industry projects; for example to reduce jargon, to improve information on TVMs on the range of tickets sold, and to make clearer when off-peak tickets can be used. We also recognise that TVMs need to improve further, beyond what we are already doing, and we are therefore committed to developing a robust roadmap of future improvements through consultation with all stakeholders. This roadmap will be set against the wider retailing strategy to ensure that we invest smartly and provide a cohesive customer experience.

At an individual TOC level, good progress is being made on adopting a Price Promise with three TOCs having already done so through the franchising mechanism, and several others having done so where they feel it offers a clear customer benefit within their business model. We are gaining valuable insight through these schemes. Also, several TOCs are receptive to the idea of a national scheme. We do however believe committing to and accelerating fares reform in a simple and transparent way is the solution that ultimately negates any need for a Price Promise.

As well as individual TOC specific initiatives, the industry with government support is absolutely focused on improving transparency and simplicity for customers, with a large number of projects with extremely tight

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deadlines as we try to overcome over 20 years of complexity. To add a further overlaying national mechanism on top could present a risk to these activities that have already been agreed with the wider industry, including yourselves, and we would not want to risk any delays.

I would therefore suggest that we come back to the subject of a National Price Promise as we approach the end of the tranche of activities that form the existing Action Plan for Information on Rail Fares and Ticketing as agreed in the Fares Forum.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jacqueline Starr', written over a horizontal line.

Jacqueline Starr  
Managing Director, Customer Directorate