

Tom Cole
Head of Competition

Office of Rail and Road
One Kemble Street
London
WC2B 4AN

13 September 2018

Dear Tom

ORR Market Study - Letter of Commitment from Rail Delivery Group Limited

This letter is our response to the ORR Market Study into the supply of ticket vending machines and ticket gates, particularly in relation to the RDG accreditation process, including the industry compliance standards against which all rail retail systems are accredited. http://orr.gov.uk/_data/assets/pdf_file/0006/38985/market-study-into-the-supply-of-ticket-machines-and-ticket-gates-september-2018-update.pdf

We believe accreditation should help facilitate a healthy and robust supply chain that drives and enables innovation for customers when purchasing tickets and settling transactions. For retailers we want to reduce the time to market, provide support and clarity, which ultimately maintains the quality and choice for customers.

To that end we have undertaken a review of our processes and will seek to drive continuous improvement in our own processes and in the services offered through to the end customer. As part of that review we have committed to deliver a number of initiatives which are set out in this letter and the accompanying high-level plan with an accompanying table of deliverables which we can be measured against.

Engagement

RDG has actively engaged with the ORR during the market study and will continue to do so, as we also believe that this is an opportunity to review long standing working industry practices in this area. RDG has freely shared its expertise, knowledge of the market, answered questions and provided evidence promptly.

Commitments

RDG is making a series of commitments to make specific changes or pilot potential changes, all of which we believe will make the process of accreditation more effective and efficient for Third Party Retailers, Retail System Suppliers and RDG, and create the environment that makes it easier for new entrants to enter the market with new ideas in both retailing and technology.

These commitments were informed by a five-week independent review of accreditation earlier this year which included discussions with Third Party Retailers, Retail System Suppliers and the ORR about their concerns with the current accreditation process. In particular the ORR were concerned about the need for the accreditation process to do more to promote competition and new entrants.

Our commitments are set out below in terms of their purpose and in the accompanying project plan in terms of target delivery timescales. Given that the market study is still to conclude, RDG is happy to enter into further discussion with all parties in order to further refine or adapt these commitments, to ensure that we are driving the anticipated outcomes.

- 1. Revise Accreditation Mandate** - This is designed to clarify the purpose of accreditation and will include our approach to innovation and a governance escalation route covering non-compliance, as well as providing a focal point for our improvement activities. It will ensure that all parties are clear about the purpose and aims of accreditation. RDG will complete this workstream by 11 January 2019.
- 2. Update RDG Website** - The aim here is to provide a simple and easily accessible overview of accreditation and team contact information. This will help new entrants to both engage with and gain an understanding of the process that they will need to follow. RDG will complete this workstream by 31 December 2018.
- 3. Improve Onboarding Guidance** - This is linked to the previous workstream, as it will refresh existing guides and develop new ones, which in turn will support new entrants with more accessible information. RDG will complete this workstream by 12 October 2018.
- 4. Create Pre-Accreditation Process** - This is also linked to supporting new entrants to the market. This workstream will promote earlier engagement between new entrants and the team, enabling a more efficient process. RDG will be appointing an Accreditation Support Manager to lead in this area. RDG will complete this workstream by 30 November 2018.
- 5. Review Governance of Standards** - RDG recognises that it needs to review how industry compliance standards are both developed and maintained. This workstream will assign accountable and responsible owners for standards creation and maintenance and seek to more actively involve all parties. RDG will complete this workstream by 31 December 2018.
- 6. Review Standards** - This is linked to the governance of standards and is designed to review standards and tests that are perceived to be confusing, duplication and/or go further than necessary. RDG will finish the initial phase of this workstream by 23 October 2018 and complete the workstream by 30 June 2019.
- 7. Pilot Streamlining Testing** - The aim of this workstream is to see where we can make it easier for suppliers to maintain compliance with standards in the most cost-efficient way. RDG will look to develop testing approaches in conjunction with suppliers and then pilot them to confirm that they do improve efficiency in terms of both cost and time. RDG will complete this workstream by 14 June 2019.
- 8. Pilot Retrospective Accreditation** - RDG are developing a proposal for a retrospective accreditation process for third-party retailers who demonstrate the capability for doing so, as assessed against objective criteria. The aim here is to respond to more agile forms of development, so RDG would permit self-accreditation, but this would be underpinned by a new RDG retrospective accreditation process to ensure that any self-accreditation has been performed correctly. It is effectively accreditation after the event and will ensure agile style developments are not held up by the waterfall accreditation process. This will put the onus on third party retailers to ensure they release compliant software. Given the sensitivity around the area of settlement from an industry perspective, RDG would want to carefully consider how best to approach this and pilot it thoroughly to confirm it will work in practice. RDG will complete this workstream by 30 June 2019.
- 9. Drive Continuous Improvement** - RDG will also put in place a continuous improvement regime to ensure that we embed our new approach and way of working. This is a developing workstream and RDG will populate this with dates for other activities such as new entrant surgeries or innovation days and the development of new entrant care packages to help with other related retailing issues. RDG will complete this workstream by 30 June 2019.

RDG Compliance & ORR Monitoring

RDG acknowledges that the ORR can take action at its discretion as part of this market study should it feel that sufficient or timely progress is not being made against the commitments that RDG is making in this letter. To ensure that this does not become the case, RDG has already made progress against some of these deliverables and would like to formally review progress of the plan with the ORR on a monthly basis.

Action Taken

In order to show our commitment to supporting the development of a more open market, RDG has already acted ahead of the publication of any recommendations that might form part of the final market study report. The actions we have taken are in response to points that the ORR have raised with us during the market study to date in relation to openness and transparency. RDG has already:

- Engaged an independent consultancy (North Highland) to undertake a five-week review of accreditation (cost circa £50k), which led to the development of the commitments that RDG are making in this letter.
- We have obtained funding and advertised for an Accreditation Support Manager who will be responsible for leading both pre-accreditation support activities and streamlining testing for new entrants.
- We have updated our website to include a section that provides an overview of accreditation and contact info <https://www.raildeliverygroup.com/our-services/rdg-accreditation/accreditation-guidance.html> so that new entrants have an advertised route to follow. We will add further content over time as required.
- Transport Ticketing Global (29-30 January 2019 @ Old Billingsgate, London) www.transport-ticketing.com RDG has booked a stand at this event so that we can showcase accreditation and reach a wider audience.
- RDG has kicked off an internal meeting to consider the areas of testing which could be streamlined to help suppliers. One of the areas we are keen to explore is the idea of making a test library available to new and existing entrants, so rather than having to create and run their own scenarios to evidence compliance with standards, they could run our pre-set tests.

Appendix - Deliverables & High-Level Plan

Accompanying this letter is a 2-page appendix which contains a table setting out what RDG plans to deliver against various target dates through to 30 June 2019 and these deliverables are also shown in a high-level project plan. RDG progress will be monitored against these target dates by the ORR in our monthly review meetings, and RDG will send a formal report to the ORR on 30 June 2019 which details progress made in each workstream.

Positive Outcomes

Our focus throughout this market study has been to see it as an opportunity to improve long standing approaches and processes, so that we can improve both the experience of Third Party Retailers and Retail System Suppliers as they seek to ultimately improve the experience of customers as they use the wide variety of retail systems. We look forward to continuing to work closely with the ORR, Third Party Retailers and Retail System Suppliers in order to deliver on the commitments we have made in this letter.

Yours sincerely,



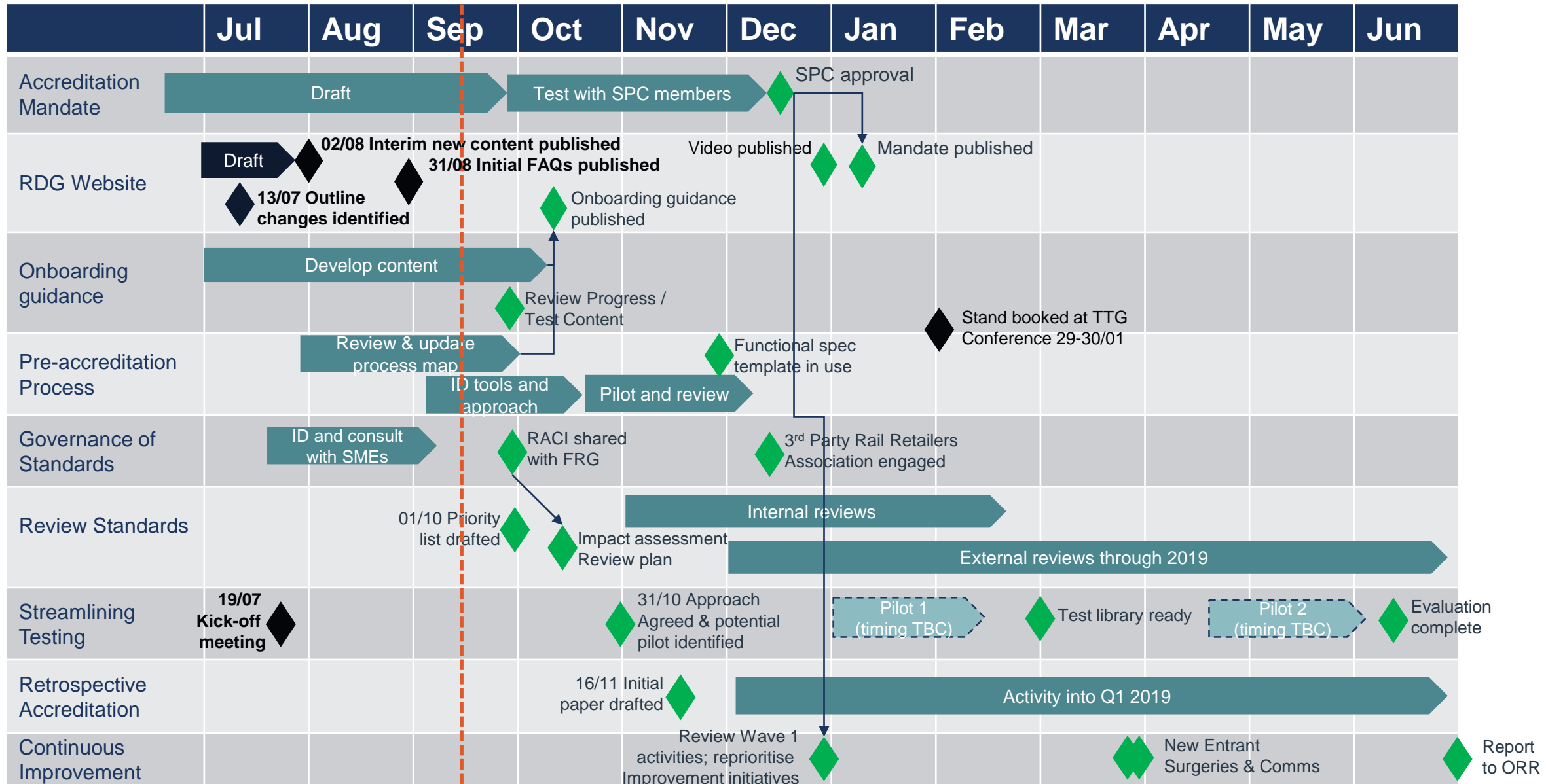
Jason Webb

Deputy Managing Director, Customer Portfolio, Rail Delivery Group

ORR Market Study - RDG High Level Plan v6

On Track

Completed



ORR Market Study - RDG Deliverables v6

What	Outcome	How will we achieve the Outcome	Date	Output
Accreditation Mandate	Clarified mandate including support for innovation and a governance escalation route approved by TOCs. Will clarify the purpose and aims of accreditation.	<ul style="list-style-type: none"> Series of discussions internally, with suppliers and with TOCs - build consensus for change & clearly document it. Strategic Partnership Committee to approve 	11/01/19	<ul style="list-style-type: none"> Repositioned statement of team role and responsibility. Revised process for managing compliance. Update 2016 RDG Accreditation Handbook accordingly. Publish accreditation mandate
RDG Website	Refreshed online page structure that is easier to access and which aims to increase ease of finding core content and increase transparency of the process for new entrants.	<ul style="list-style-type: none"> Remove old website content, update look and feel, add new materials. News item on RDG page, fortnightly internal comms. Inform current contacts 	02/08/18	<ul style="list-style-type: none"> New introductory content published; layout refreshed, downloadable forms added. Complete.
			31/08/18	<ul style="list-style-type: none"> FAQs page added. Complete.
			31/12/18	<ul style="list-style-type: none"> Video added.
Onboarding Guidance	Updated material which will be loaded onto the refreshed online page structure. This will provide new entrants with refreshed and simplified core content that will enable them to assess the level of effort required to enter accreditation.	<ul style="list-style-type: none"> Create & advertise a new post of Accreditation Support Manager during Sept 2018. Invite newer suppliers to review and provide feedback on draft materials. Signpost website materials upon receipt of new enquiries. 	12/10/18	<ul style="list-style-type: none"> Process overview and timeline (best case v. factors which will extend).
12/10/18			<ul style="list-style-type: none"> Content describing what suppliers should expect before entering formal process. 	
30/11/18			<ul style="list-style-type: none"> Functional spec template. 	
Pre-Accreditation Process			<ul style="list-style-type: none"> Booked at TTG Stand on 29/01/2019. Complete. 	
Governance of Standards	Provide greater clarity and awareness with regard to accountability and responsibility for standards creation and the review process.	<ul style="list-style-type: none"> Brief key fora / stakeholders Strategic Partnership Committee approval 	31/12/18	<ul style="list-style-type: none"> RSPS9000 (Compliance Standards Development Process) updated.
			30/09/18	<ul style="list-style-type: none"> Paper to Fares & retail Group.
Review Standards	Standards & tests that are perceived to be confusing, duplicative and/or go further than necessary will have been reviewed and simplified. Seek clearer definition between technical & retail standards.	<ul style="list-style-type: none"> Survey selected suppliers to provide more specificity of what needs to change. Educate stakeholders on rationale for standards and their structure. 	01/10/18	<ul style="list-style-type: none"> Priority list of areas for focus.
			23/10/18	<ul style="list-style-type: none"> Impact assess any proposed structural changes Plan for the standards review.
Streamlining Testing	Run and review a pilot designed to reduce cost and time for new suppliers to maintain compliance with standards.	<ul style="list-style-type: none"> Current focus on tests which suppliers design and submit evidence of themselves and the requirement on them to stay abreast of changes to the knowledge base / PMS 	31/10/18	<ul style="list-style-type: none"> White paper outlining the approach.
			01/03/19	<ul style="list-style-type: none"> Implement a Test library.
			14/06/19	<ul style="list-style-type: none"> Pilot report & plans to progress /embed.
Retrospective Accreditation	Develop & trial a new accreditation process for selected online 3 rd party retailers which is subject to retrospective accreditation post go-live rather than pre go-live.	<ul style="list-style-type: none"> Internal agreement Strategic Partnership Committee and possibly Customer Board approval 	16/11/18	<ul style="list-style-type: none"> Proposal for new process.
			30/06/19	<ul style="list-style-type: none"> Report on pilot.
Continuous Improvement	Review progress with retailer/supplier stakeholders and advertise opportunities to new entrants	<ul style="list-style-type: none"> Review progress with TOCs & TPRRA New Entrant Surgeries 	30/06/19	<ul style="list-style-type: none"> Issue Final Report to ORR by 30 June 2019.