

Correspondence with MyTrainTicket regarding the transparency of online rail ticket fees

ORR has redacted all personal data

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Jacqui Russell
Head of Consumer Policy



Reza Satonger
Chief Executive, MyTrainTicket
[By email]

11 December 2023

Dear Reza,

Transparency of fees charged by online rail ticket retailers

We have today published a report on the transparency of fees charged by online rail ticket retailers. This report and the underlying review were conducted as part of our powers to monitor, investigate and enforce compliance with consumer law principles governed by the relevant legal framework.

The review has identified questions with respect to the transparency of the service that MyTrainTicket provides for its customers. We write to request further information and clarifications about your current approach and to invite you to make changes in view of the points raised. We would be grateful for a response by Friday 19 January.

Background to the legal framework

The consumer law framework aims to ensure that businesses are fair and open in their dealings with consumers. The Office of Rail and Road (ORR) has consumer enforcement powers for the rail sector, concurrent with the Competition and Markets Authority (CMA). We are a Designated Enforcer under Part 8 of the Enterprise Act 2002 (EA02) and have the power, where there is evidence of harm to the collective interests of consumers, to take enforcement action.

The two key pieces of legislation are:

- Consumer Protection from Unfair Trading Regulations 2008 – These prohibit unfair commercial practices, including misleading actions and omissions. They prohibit failing to provide material information in an invitation to purchase, that are likely to impact a consumer's transactional decision. A misleading action can include providing a consumer with false information about the price of a product, or the way the price is calculated, or presenting the pricing information in a way that is likely to mislead the consumer, even if the facts themselves are accurate.
- Consumer Rights Act 2015 – The two key principles of this legislation are that contractual terms should be transparent and fair. For a contractual term to be transparent, it should be written in plain and intelligible language and be legible. In terms of fairness, a contract term is understood to be unfair if it causes a significant imbalance in the parties' rights to the detriment of the consumer.

Consumer law principles: fees charged to customers

We are looking to improve compliance with this consumer protection legislative framework. Informed by this framework, we have identified a set of core principles relating to the application of fees (see Annex), which we are looking to uphold through this work. These principles seek to reduce various risks consumers face when they are presented with particular commercial practices. For example, paying more for their purchase than they had expected to pay because of drip pricing; or paying fees that they have not made an informed decision to accept, as they were not aware of the charges up front.

In order to improve industry practice we are looking at two specific areas, the presentation of fees during the booking process and information provision for customers about the terms and conditions of the service they are engaging.

Our review

We reviewed the information provided on 40 online rail ticket retailers' desktop websites and mobile apps in respect of booking fees (including finder's fees for split ticket options), fulfilment fees and refund/amendment fees.

We made test purchases for a low-value Anytime single fare, and simulated purchases for a long-distance journey, from each desktop website and mobile app. We gathered information utilising screen recordings and screenshots to capture our experience of the ticket sales process.

Our findings - MyTrainTicket

Consumer principle A: Booking fees

We found MyTrainTicket did not incorporate its mandatory booking fee in the upfront price first displayed to consumers and therefore did not provide consumers a clear indication of the exact cost of their booking at the earliest opportunity. The mandatory booking fee was included in the price at the final stage of the booking process on both the website and app.

We welcome the breakdown of the total price into its component parts, with the price of the ticket and booking fee given equal prominence.

Please explain (alongside any supporting evidence) as to:

1. Why MyTrainTicket does not include the mandatory booking fee within the upfront price *and* your proposals for change in this respect;

Consumer principle B: Fulfilment fees

We note that MyTrainTicket do not offer any fulfilment options with fees.



Consumer principle C: Information provision

We noted that your website and app provide full, accurate and readily available information on your booking fees, with a prominent link on your homepage taking consumer directly to the relevant information.

We noted that refund information during the sales process was incomplete. For example, directing consumers to 'see refund policy below' but this information not being available in that area of the sales process.

We noted that MyTrainTicket provided accessible information on refunds and their associated fees on its website.

Please explain (alongside any supporting evidence) as to:

2. Why MyTrainTicket does not provide full and accurate refund and amendment information to consumers during the sales process *and* your proposals for change in this respect.

Next steps

We seek your responses to this correspondence and the queries raised by Friday 19 January via email to Consumer@orr.gov.uk. In the meantime, if you have any questions, please contact me directly by email.

The information you provide will contribute to our decisions on next steps. We plan to publish this letter and your response on our website. Should you wish to provide us with information that you consider to be commercially confidential, please provide this in a separate document, and we will take your representations into account accordingly.

Yours sincerely

Jacqui Russell

Annex: Consumer law principles

Presentation of fees during the booking process

A. Where there is a mandatory fee for purchasing a rail ticket online:

A1. it should be included in the price at the earliest opportunity, which for rail ticket purchases is commonly the upfront price that is first displayed to the consumer.

A2. It should be clear to the consumer that a fee is being charged and how much it is throughout the booking process.

B. Where there is a ticket fulfilment option available for a fee:

B1. it should not be pre-selected.

B2. where an option with a fee is selected by the consumer, it should be immediately included in the total price displayed to the consumer.

Information provision for consumers

C. There should be readily available, transparent and accurate information online for consumers to read in advance of engaging with the booking process about:

C1. mandatory booking fees associated with ticket purchases. This should explain when fees apply, state the level of any fixed fees, and explain how variable fees are determined (for example whether fees vary with ticket price, timing of purchase or any difference in fees between website and app purchases).

C2. ticket delivery options and any fees associated with each option.

C3. eligibility for refunds and ticket amendments, and any associated costs.

Hello ORR Consumer Team

Following on from the recent correspondence received and based on the letter from Jacqui Russell, please find below our responses, denoted in Red.

Our findings - MyTrainTicket

Consumer principle A: Booking fees

We found MyTrainTicket did not incorporate its mandatory booking fee in the upfront price first displayed to consumers and therefore did not provide consumers a clear indication of the exact cost of their booking at the earliest opportunity. The mandatory booking fee was included in the price at the final stage of the booking process on both the website and app.

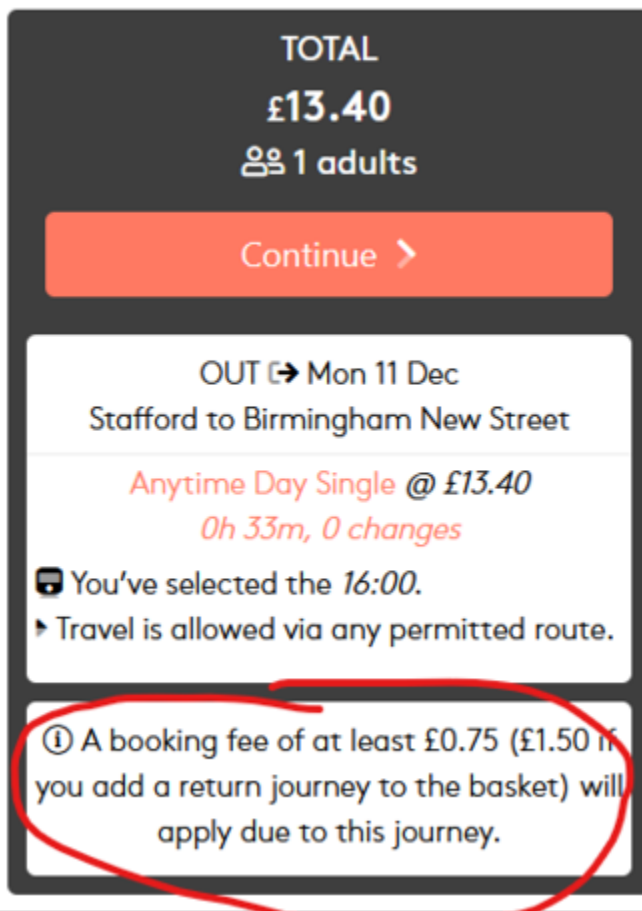
We welcome the breakdown of the total price into its component parts, with the price of the ticket and booking fee given equal prominence.

Please explain (alongside any supporting evidence) as to:

1. Why MyTrainTicket does not include the mandatory booking fee within the upfront price *and* your proposals for change in this respect;

Our answer to that is fairly simple, the booking fee is evaluated for an entire basket, not on each individual ticket sold. If you have ten journeys, the effective fee levied will be 15p each. There is no way of predicting how many journeys the customer will add to the basket when they're searching for the first journey.

We have a disclaimer saying that fee (with exact amount) will be applied based on journey type. This is displayed even before customer adds a ticket to the basket.



That said, this refers to our desktop application and after further investigation, we believe you are referring to our mobile app offering in reference to the problem/issue raised. MTT, as I'm sure others have too, struggle with the volume of information provided by the rail industry (particularly related to ticket types and Ts and Cs) that needs to be provided to consumers within the limited screen real-estate/viewports available within Mobile Apps. MTT acknowledge this requirement and are now re-visiting this with the Mobile Development Team to rectify and action accordingly.

Consumer principle B: Fulfilment fees

We note that MyTrainTicket do not offer any fulfilment options with fees.

This is correct. MTT does not offer a fulfilment option that levies a fee, e.g. Postal of CCST. Our fulfilment options of TOD and E-ticket are free with no fee applicable, so currently have no intention to change this.

Consumer principle C: Information provision

We noted that your website and app provide full, accurate and readily available information on your booking fees, with a prominent link on your homepage taking consumer directly to the relevant information.

We noted that refund information during the sales process was incomplete. For example, directing consumers to 'see refund policy below' but this information not being available in that area of the sales process.

We noted that MyTrainTicket provided accessible information on refunds and their associated fees on its website.

Please explain (alongside any supporting evidence) as to:

2. Why MyTrainTicket does not provide full and accurate refund and amendment information to consumers during the sales process *and* your proposals for change in this respect.

MTT acknowledges this fair and valid point. There's an additional chunk of data we get back along with the ticket type information (which covers e.g. break of journey and amendments) about refunds (under the `extra` key). Unclear as to why this has been previously overlooked. A fix to production to cover off this point has now been deployed. Screenshot provided below.

TICKET DETAILS

Ticket code: SDS

DESCRIPTION

Anytime tickets allow you to travel at any time of the day. You may need to travel by a specific route or train company but the ticket will state this. You are allowed to break your journey.

DISCOUNTS

Children (aged 5 to 15 inclusive) are offered a 50% discount.

Up to two children aged under 5 can travel free with each fare paying passenger.

16-25 Railcard, Two Together, Disabled Persons Railcard, HM Forces Railcard, Senior Railcard, Network Railcard and Annual Gold Card all offer 34% discount.

Minimum fares / time restrictions may apply to tickets bought with a Railcard or other discount card. See terms and conditions of the appropriate Railcard or discount card for details.

Railcard holders travelling on a discounted ticket must carry their Railcard when they travel. If a Railcard holder fails to produce their valid Railcard with their ticket, they will be required to pay a full priced ticket for their journey as if no Railcard and/or no ticket were held.

CHANGES TO TRAVEL PLANS

If you wish to change your time of travel you can pay the difference between the cost of the ticket held and the cost of the ticket that is most appropriate for the journey you need to make. In many cases, if you are still travelling at a time when your ticket is not restricted, no additional fare is payable.

If you wish to change the date of travel, or the origin or destination of your ticket, it may be necessary to buy a new ticket and apply for a refund on your existing ticket (see Refund Policy below).

BREAK OF JOURNEY

Outbound:

Break of journey is allowed.

Return:

Not applicable.

REFUND POLICY

Your ticket is refundable. If you decide not to use your ticket to make all or part of your intended journey then you can get a refund by returning your unused ticket to the ticket office or place of purchase (for tickets bought via websites, telesales or travel agents) within 28 days of the ticket expiry date.

You may be required to pay an administration fee (up to a maximum of £10 per ticket). The refund amount will normally take into account any use you have made of the ticket and in some circumstances no refund will be paid.

Kind Regards

Simon
Simon Riley | *Operations Director* | *DATAFLEXnet Ltd*

Jacqui Russell
Head of Consumer Policy



Simon Riley
Operations Director, MyTrainTicket
[By Email]

11 March 2024

Dear Simon,

Transparency of fees charged by online rail ticket retailers

Thank you for your response to our letter of 11 December 2023. In our letter, we identified questions with respect to the transparency of the service that MyTrainTicket provides for its customers and invited you to make changes in view of the concerns raised. I am now writing to acknowledge the positive steps that you have committed to take. We will continue to engage with you to establish how you will more fully address our concerns, and your timescales for implementation.

Background

The consumer law framework aims to ensure that businesses are fair and open in their dealings with consumers. We published a report on the transparency of fees charged by online rail ticket retailers in December 2023. Our report and the underlying review were conducted under our powers to monitor, investigate and enforce compliance with this legal framework. In order to improve industry practice we looked at two specific areas, the presentation of fees during the booking process and information provision for customers about the terms and conditions of the service they are engaging.

Informed by the consumer law framework, we identified a set of core principles relating to the application of fees. These principles seek to reduce various risks consumers face when they are presented with particular commercial practices. For example, paying more for their purchase than they had expected to pay because of drip pricing; or paying fees that they have not made an informed decision to accept, as they were not aware of the charges up front.

When we published our report we, at the same time, wrote directly to those retailers where we had concerns in relation to their practices and the risk of harm being caused to consumers.



Consumer principle A: Booking fees

We asked why MyTrainTicket does not include the mandatory booking fee within the upfront price.

We acknowledge that you are actively exploring how you could implement system changes that would enable consumers to see the booking fee including the price at the earliest opportunity, and that you are engaging constructively with us as you consider options.

We also acknowledge that you have taken interim steps to promote the visibility of your fee information during the sales process. A clear statement about booking fees now sits immediately below the price on the search results stage. We also note that there is a prominent link to information about your fees on your homepage.

Consumer principle C: information provision

We asked why MyTrainTicket does not provide full refund and amendment information to consumers during the sales process.

We acknowledge that you have already updated the refund and amendment information provided during the sales process to include all scenarios.

Next Steps

MyTrainTicket has taken steps to implement actions that partially address our concerns. We will continue to engage with you to establish how you will more fully address our concerns and your timescales for implementation.

Yours sincerely

Jacqui Russell