

MD3142 Withdrawal of Day Travelcards on TfL Network

A submission by Railfuture

“Better to have an unsatisfactory share of the cake than a much smaller cake”.

Railfuture thanks the London Assembly Transport Committee for the opportunity to comment on the planned demise of the Day Travelcard.

We have read Mayoral Decision 3142 (“MD”) and have the following key observations:

1. We note and understand the Mayor’s (and TfL’s) desire to take steps to bridge the TfL funding gap by stopping to accept the Day Travelcard, with an expected increment to income of £40m per annum. However, we neither believe it is that certain that income will increase by £40m – it could easily decrease, nor do we believe that options to increase income, whilst still retaining the Day Travelcard, have been suitably explored.
2. As regards the increase in income of £40m, we do not believe this will be achieved. This seems to assume that all current purchasers of Day Travelcards are fully price insensitive and will switch to Oyster or Contactless. We do not believe this to be credible, particularly as mitigation of some of that increase requires steps such as registering a Young Visitor’s Discount (YVD) onto an Oyster card. It is credible that higher portions of regular visitors from near to London such as Surrey or Hertfordshire will do this, but we do not believe it to be universally appealing; even so, they are faced with substantial price increases (see our submission [attached]; the increase at the weekend for our example is a minimum of 32% and, for a family that just assumes contactless is best, would be 190%). So, we believe many current London visitors will “vote with their feet” and instead not visit London (either at all, or as regularly, or choose to drive to London with adverse impacts on air quality). Net, this is likely to detrimental to TfL’s finances and would have wider impacts on London’s visitor economy.
 - Families with children will be particular losers with the abolition – children without Oyster cards will now need to pay adult Contactless fares (on both rail and on buses).
3. There is not nothing in the MD regarding the possibility of obtaining more income from existing Day Travelcard sales by increasing their price. Any price increase would undoubtedly result in a reduction in volume, but we believe that the simplicity, and well understood nature of the Travelcard is, in itself appealing and an encouragement to visitors to travel to London. We believe this possibility requires proper consideration.
4. We cannot help but feel there must be room for negotiation with the DfT – over 100 times the income lost expected to be lost due to the continued use of Travelcards was allocated by Central Government to continue to lower fuel duty by 5p per litre and avoid the related RPI increase.

Our submission to the “Have your Say” consultation is attached as Appendix A. Railfuture would be happy to answer any questions Committee members may have. We are Britain’s leading, longest-established, national independent voluntary organisation campaigning exclusively for a better railway across a bigger network for passenger and freight users, to support economic (housing and productivity) growth, environmental improvement and better-connected communities. We seek to influence decision makers at local, regional and national levels to implement pro-rail policies in development and transport planning.

Neil Middleton

Director

Committee Member, London & South East Branch

e-mail: neil.middleton@railfuture.org.uk | www.railfuture.org.uk | Twitter: [@Railfuture](https://twitter.com/Railfuture) & [@RailfutureLSE](https://twitter.com/RailfutureLSE)

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Registered Office: Edinburgh House, 1-5 Bellevue Road, Clevedon, North Somerset, BS21 7NP (for legal correspondence only)
All other correspondence to 14 Ghent Field Circle, Thurston, Suffolk IP31 3UP

Appendix A – Submission to the “Have your say” consultation

Transport for London (TfL) has set out their plans to abolish the London Travelcard and expects National Rail TOCs to follow suit with their add-on product. They are undertaking an ‘engagement’ exercise until 23 May 2023 – see <https://haveyoursay.tfl.gov.uk/travelcards>. As part of this exercise we have [asked 5 questions](#) and a response is awaited.

In this paper, Railfuture sets out its views and explains why we think the Travelcard should be retained – and how it should evolve. In summary, we think that insisting on Contactless means:

- **Replacing a simple, well understood product that can be purchased ahead for everyone.** Whilst many are familiar with it, there are significant numbers who are unfamiliar and nervous about it and do not understand it. The price ranges shown in the table will substantially increase nervousness and uncertainty. It’s easy to think it is widely used in London, so everyone understands use on public transport well, but this isn’t true – it’s only widely used outside London on buses, these bus services are often very limited, and the experience is much more akin to other small purchases – no account, no capping etc.
- **A substantial increase in costs for many using standard contactless,** most notably families, all travellers on the cheaper off-peak National Rail fares and (for now) Railcard holders.
- **That some, but not all of the cost increases can be mitigated;** for families in particular, doing so is tedious, has a cost and requires 4 weeks’ prior notice (need to organise an Oyster Zip card).
- **That families, the disabled, army veterans and the financially and digitally excluded will all suffer,** including those without bank cards (or available funds on them) who may need to pay for the much higher fares at Ticket Vending machines (this could apply to families as well, if they don’t have enough bank cards for every member).
- **That these increased travel costs (and the noticeable tedium and prior planning required to mitigate) are likely to result in many decisions not to travel,** so we expect this to a pyrrhic “victory” – fewer visitors to London, so less money for the visitor economy and TfL.
- **Damage to the Contactless “Brand”** as this will be seen by many as a significant breach of any promise, implied or not, that there is Price Parity between Contactless and other options to travel; combined with the continued lack of Railcard discounts, this will cause people to label Contactless as the “expensive option”.

Harpden to London; a Saturday, 2 adults with Railcards & 2 children (11 & 13)	
Travelcard	£26.30
Contactless throughout (now) <i>Note 1</i>	£76.40
National Rail to London then Contactless (Z1 to Z3)	£57.30
National Rail to London + Oyster (Railcard Registered) + Child Oyster Zip cards (Z1 to Z3)	£34.90 (& £30 set up)

Note 1: TfL seem not to have published 2023 caps for Contactless only stations. This is 2022 + 5.9%.

At a time when London is already an expensive place to travel on public transport, adding more cost and complexity is highly likely to have unwanted outcomes – income per passenger for TfL may well grow, but passenger number reductions and wider adverse impacts on London will outweigh this.

Why retain them?

We think the two biggest commercial reasons to retain them are the adverse impact to London’s economy and the loss of revenue to TfL and National Rail.

The Travelcard and its related National Rail add are a well understood and simple product that is a great product to persuade tourists and other spenders to come to London. The product is well understood and offers a key advantage in that the price is fixed before the day’s travel commences. Whilst the most regular travellers are probably prepared to make the effort to

understand how Contactless and Oyster capping works, and to subsequently realise that in some circumstances the cost will be similar (or even cheaper), we do not believe this is true for a noticeable portion of London visitors. The uncertainty over Contactless (for those not familiar with the concept) is, in Railfuture's view a significant disincentive to come to London.

For families it is complex and tedious to organise themselves so their children can take full advantage of TfL's Child fares by applying for a 5-10 or 11-15 Zip Oyster Card – which costs £15 and can take up to 28 days – and can require a visit to a TfL Visitor Centre. For families visiting London very regularly it is credible to believe that this will happen. But it is not believable for most occasional visitors.

Similarly, with less financial impact, but considerably easier to organise, a visitor may need to obtain an Oyster Card and register a Railcard to get best value on TfL fares.

This will make school and group trips to London much more difficult to organise, with individual tickets now required.

We also think that there is an equalities aspect to their demise, as contactless bank card use pre-supposes that intending travellers can qualify for (and already have) a Credit/Debit card and have funds available on this card – no longer will being given (eg) £10 in cash by a friend or family member to travel to, say, a job interview be simple. And there is a digital exclusion aspect as well – whilst it is possible to use a Contactless card without setting up an online account, not doing so means that charges will appear on the relevant account without any explanation of amount or calculation basis.

And finally, this is likely to be damaging to the whole TfL contactless "brand" as intending travellers will think of it as the "expensive" option – one to be avoided, not enthusiastically used.

Why the alternative isn't fit for purpose

The suggestion is that a Contactless bank card for payment is a suitable alternative. And that's true for many, but critically, not everybody. At present TfL's Contactless product:

1	Requires you to both qualify for a card – and to have available funds on it. Oyster is a partial solution, but coverage is substantially less than for Contactless.	Oyster is a partial solution
2	Is a product for individuals, not for families and groups. A Travelcard is priced and sold to a family – multiple tickets from a single transaction.	No known plan to address
3	Doesn't support Railcards, resulting in substantial increases in cost.	Apparently in progress
4	Doesn't support all National Rail fare types – for instance, for Thameslink North the 2 fares offered on Contactless (Peak and Off-Peak) match to the National Rail fares on Mondays to Fridays, but not to the weekend fare.	No known plan to address

Contactless payment is only available at a limited number of stations at present – relatively near to London and only on selected lines. There are plans to deploy it to more stations, but only within a limited radius of London – and substantially less than stations selling Travelcards. For instance on the Midland Mainline, we understand Contactless will be available to Luton, but Travelcards can be bought from stations a considerable distance from London such as Nottingham and Leicester. We think Contactless needs to be much more widely deployed before Travelcards are demised.

Once a solution for all of the above is in place, the disincentives to travel to London might be reduced enough, and it starts to make commercial sense (as measured by received revenue across all operators) to cease the Travelcard product.

What could be done to improve the Travelcard / Travelcard add-on?

We recognise that a challenge with the current paper/magnetic stripe ticket product (typically with orange stripes on it for National Rail and hereafter referred to as a ‘magnetic stripe ticket’) is that it is not clear if revenue is fairly shared between operators (and routes and types of public transport). Unfortunately, TfL’s Readers can only capture detailed use date from Oyster, Contactless and ITSO Cards, not from magnetic stripe tickets. And they do not allow QR codes to be presented on phone screen or paper as is now widely available on National Rail.

We believe TfL should be considering the acceptance of QR codes. We recognise that this would not be cheap, but it will help National Rail move away from magnetic stripe tickets as the only option for cross London journeys and allow TfL to demise magnetic stripe ticket readers from their network in due course.

In the interim, we think that more detailed usage data could be collected by offering a small price incentive to holders of National Rail ITSO cards (such as GTR’s KeyGo) to purchase day Travelcards on ITSO. This will then generate usage data which will inform the allocation decision (although we recognise that it will not be a fully representative sample [eg not many families]).

Although it would not address all the limitations – such as families, the possibility of introducing a pre-pay option to contactless should be considered – Via an account, pre-purchase an e-Travelcard. Tap-ins / outs would occur in the normal way and in the end of day central processing every journey within scope of the pre-pay would be priced at £0, and other journeys charged on a post-pay basis.

We also recognise that for some stations and some fares (eg weekend fares) are a real bargain, priced significantly less than from other stations, and we accept that TfL’s need for revenue is such that some form of normalisation of fares is sensible. Whilst we wouldn’t support it, we could tolerate it if the Travelcard Add-on switched to two standard prices – Peak and Off-Peak.

What should I do about this?

Write to your local MP (and, if in London, TfL and your Local Assembly member) to complain. Personalise your complaint with your circumstances. Use your local TOC’s website or [brfares.com](#) for National Rail prices and TfL’s [Single Fare Finder](#) and [Contactless Caps](#) pages for costs on TfL. If you have children under 16, see TfL’s [free & discounted](#) travel pages to check the process, evidence requirement and cost for reduced rate travel.