

*please reply to:*

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**Freepost EASIER FARES**

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7 September 2018

Dear Sir

### **Response to RDG Easier Fares Consultation**

This consultation response is made on behalf of Railfuture Ltd, the foremost campaigning organisation for the development of passenger and freight railway services in Great Britain. It has been developed by members of our Passenger Group responsible for fares and ticketing issues, in consultation with branches and senior officers of Railfuture.

We have already submitted a response to the on-line consultation, a copy of which is attached. However we are re-submitting in this form to include a document detailing our rationale for selecting the various options, together with some suggestions as to how the fares structure and ticketing processes might be made fairer as well as easier.

Many potential passengers are deterred from travelling by train by the complexity of buying a ticket and the perception that fares are expensive. Others are unclear as to whether the ticket(s) they have bought are actually the best deal possible. Railfuture's key objectives therefore are for fares that are seen as value-for-money, for clearly explained tickets, especially validity, and for a wide choice of ticket purchasing methods.

The comments made here are not confidential, and we would be happy for them to appear on your website and for you to use them in discussions with other stakeholders. We would be more than happy to enlarge on any of the points made in the attachments or to work with you to identify the best options for the future.

Railfuture is composed entirely of volunteers with an interest in railway development. It has about 20000 members nationwide, including members of affiliated rail user groups and is organised into geographical branches throughout England, Scotland and Wales.

Yours sincerely

pp Allison Cosgrove  
Railfuture Director, Head of Passenger Group

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# Railfuture Response to Easier Fares Consultation

## Part 1 Fares Structure

<p><b>Fares should be based on distance travelled (e.g. a cost per mile).</b></p>	<p><b>Definitely consider</b></p> <p>Railfuture would welcome walk-on fares being based on distance. However we acknowledge that this cannot be the sole method. Quality of service can justify variation from a pure distance based method, particularly where one operator's route is significantly more speedy or is of higher quality than another.</p> <p>Furthermore long journeys justify substantial discount on a mileage based calculation, and short local journeys may justify a degree of subsidy for social reasons. Special cases would also be required to cater for journeys where the rail distance is substantially more than the straight line - such as Whitby to Scarborough, Bangor to Pwllheli, Kyle of Lochalsh to Mallaig. However fares for this type of situation must not be less than to an intermediate station en route.</p> <p>Notwithstanding these reservations, we still favour distance as being the best starting point for fares calculation. This would produce a degree of consistency between fares on different routes with broadly similar service qualities.</p>
<p><b>Fares should be based on the level of service received</b></p> <p>(e.g. fares for routes with a lower quality service - such as slower, less regular and more basic trains – are cheaper than fares for routes with a higher quality service).</p>	<p><b>Definitely consider</b></p> <p>There should be substantial differences in service quality to give different fares. So London-Birmingham by LNWR is much slower than by West Coast so justifies cheaper fares.</p> <p>However Darlington to York by all operators is much the same in both journey time and train quality and yet there are 2 standard and 3 first class Anytime single fares. Passengers expect fares for journeys of comparable speed and quality to cost the same irrespective of operator.</p> <p>However there may be a case for long distance operators charging higher fares on particular trains to discourage their use for short trips to avoid over-crowding.</p>
<p><b>Fares should cost the same at all times of day and for all days of the week</b></p> <p>(e.g. fares are the same at peak and off-peak</p>	<p><b>Do not consider</b></p> <p>The use of higher priced tickets deters casual travellers at peak travel times. To some extent it</p>

<p>times).</p>	<p>covers any extra cost in providing additional services, staff or longer trains at peak travel times.</p> <p>As noted above, there also may be a case for long distance operators charging higher fares on particular trains to discourage their use for short trips.</p> <p>We would also welcome more gradation between peak and off-peak ticket prices. The last peak train is often lightly loaded whereas the next, off-peak, train can be very heavily loaded. The difference between off-peak and peak fares is often more than 200%, in a few cases 300%. For operators south of the Thames however this can be as little as 2%!</p> <p>A suitable title for a ticket spanning this 'shoulder' period might be 'Premium Off-Peak'</p>
<p><b>Fares based on time of booking</b> (e.g. fares booked in advance of the day of travel are lower than fares available on the day of travel).</p>	<p><b>Maybe consider</b></p> <p>Applied to walk-on fares this would however penalise those travellers who are unable or unwilling to use internet or mobile booking systems</p> <p>It would also tend to increase the number of fares available for any given journey and therefore complicate rather than simplify the fares system.</p>
<p><b>Fares based on the amount of flexibility required</b> (e.g. fares for booking travel on a specific train service are lower).</p>	<p><b>Definitely consider</b></p> <p>Advance purchase fares are an invaluable part of the current system, enabling persons to travel who might not be able to afford it otherwise, or who would opt for an alternative form of transport. However on some routes there are too many different advance fares for the same journey, depending on time of train and how far in advance one is prepared to book. Whilst we understand that this is derived from demand management systems it gives rise to confusion and complication.</p> <p>Provision should be improved for passengers who can select a particular outward train but who need flexibility in their return journey (or vice versa)</p> <p>It should also be noted that flexibility can also include choice of route rather than just for the best fare. Existing route options should be</p>

	<p>retained as far as possible.</p> <p>Furthermore route flexibility should be available (or retained) for when the last direct train to the desired destination has departed but travel by a longer route is still possible. This should be at no extra cost to the passenger.</p>
<p><b>Fares designed so that it is unnecessary to buy a 'split-ticket' in order to get the cheapest deal.</b></p> <p>At present, there are occasions when it is cheaper, when making a journey from A to C, to buy two or more separate tickets e.g. two tickets (A-B and B-C) may be cheaper than one ticket (A-C).</p>	<p><b>Definitely consider</b></p> <p>One possible remedy would be for longer distance walk-on fares, especially involving the territory of more than one TOC, to be derived from the sum of the sectional fares. Discounts on summated fares could be given, depending on the overall length of the journey.</p> <p>Every Train Operating Company sets fares for the sections within their control and these are already held electronically so as to be accessible by the National Rail website and also to TOCs to enable them to calculate fares for their own websites.</p> <p>However it is probably not possible to eliminate split ticketing altogether, especially where a journey starts or finishes in the peak period but where most of it is off-peak.</p> <p>Research shows that a majority of cross country passengers now use split tickets. Setting longer distance fares as detailed above would therefore probably not result in significant revenue reduction. In fact it may generate revenue by encouraging additional travel because the fare is seen as value-for-money.</p>
<p><b>Fares should be based on encouraging travel to fill up empty seats</b></p> <p>(e.g. more last minute deals to fill available seats).</p>	<p><b>Maybe consider</b></p> <p>The present advance purchase fares system provides this facility already and should be retained</p> <p>It can be difficult to predict which trains will have empty seats or not, given the availability of walk-on fares. Furthermore, last minute passengers are unlikely to be deterred from having to pay walk-on fares.</p>
<p><b>Fares based on loyalty to regular travellers</b></p> <p>(e.g. regular travellers can earn discounts for future purchases).</p>	<p><b>Definitely consider</b></p> <p>This is a possible approach to dealing with the decline in season ticket travel</p>

<p><b>Fares which provide savings for certain groups in society</b></p> <p>(e.g. lower fares for certain groups in society such as young people, older people, people with disabilities).</p>	<p><b>Definitely consider</b></p> <p>The present travel card systems are well liked and well used by those travellers who have purchased them and should be retained.</p> <p>Extending travel card availability to more/all sections of the population, similar to those in other European countries, could encourage rail travel.</p>
<p><b>Fares for both outward and return legs should be based on time of day travelled</b></p> <p>(return tickets replaced with easily combined one-way tickets, purchased together, enabling both outward and return journey fares to reflect time of travel - e.g. peak ticket for outward journey, off-peak ticket for return journey).</p>	<p><b>Definitely consider</b></p> <p>Long distance travellers, in particular, often travel in one direction at a peak time but return off-peak. Treating each leg separately would reduce the price of travel for this type of passenger but would also encourage more to use the rail services as the fare will be better seen as value-for-money. However this would only be truly effective if single tickets are priced substantially less than the return.</p> <p>We are not in favour of eliminating off-peak or day return tickets if these continue to offer significant savings over the present cost of two equivalent singles. They offer greater flexibility than purchasing advance tickets for the same journey.</p>
<p>Which of the three options described below best reflects your preference for the range of rail fares available?</p> <p><b>Option A - No discounted tickets, standard ticket price lower than now</b></p> <p><b>Option B - Discounted fares same as now, standard ticket price same as now</b></p> <p><b>Option C - Greater discounts than now, standard ticket price higher than now</b></p>	<p><b>Option B</b></p> <p>We would prefer to see discounted fares broadly as at present and standard ticket prices somewhat lower, especially Anytime fares where these are much greater than Off-Peaks. One possible approach would be to increase somewhat the price of Advance fares and/or reduce their quota, and hence reduce the expensive Anytime fares.</p>
<p><b>On a scale of 1 to 5, where 1 is very necessary and 5 is not necessary at all, to what extent do you consider it necessary to reform the way rail fares are currently structured?</b></p>	<p><b>1 – Very necessary</b></p> <p>We support the present structure of Peak, Off-Peak and Advance Purchase, single and return fares. However there are several changes we would like to see in addition to those detailed in the responses above. These include:-</p> <p><b>a) Day returns available from all TOCs and for journeys up to two hours from the starting point.</b></p>

	<p>At present day returns are offered only for relatively short journeys, if at all. However the speed and frequency of current trains enables day trips to be made over considerable distances. Although this might reduce revenue in some cases, it would reduce split-ticketing and encourage more people to make day trips by train.</p> <p><b>b) Off-peak singles available for all journeys where an off-peak return is offered</b></p> <p>Whilst most TOCs offer a full range of Off-Peak singles and return fares already, there are several who do not, or do so only for certain journeys. This is particularly prevalent for first class travel, with Virgin East Coast, Great Western and Greater Anglia not providing First Class Off Peak single fares.</p> <p><b>c) Single fares should be of the order of 50-60% of the price of the equivalent return.</b></p> <p>Currently single Anytime fares are usually 50% of the return fare. However, for off-peak fares, there is a very wide variation between operating companies, sometimes within a single company.</p> <p>For instance, at the time of writing, an off-peak single from Manchester to London is 99% of the return, for Exeter to London it is 64%, for Leeds to London 50%.</p> <p>Making single fares closer to 50% improves choice for passengers and makes ticketing more suitable for the use of smartcards.</p> <p><b>d) First class fares should be a consistent percentage above standard class fares (but allowing TOCs to charge a reasonable amount more where they provide meals and/or extra services)</b></p> <p>There is wide variation between operating companies for their first and standard class fares, from as little as 25% to 300%</p> <p><b>e) The definition of Peak and Off-Peak should be consistent on particular routes and between routes into particular towns or cities</b></p>
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	<p>Some TOCs offer Off-Peak fares when others offer only Anytime at the same time of day. For instance, for London to Milton Keynes at 0830 on a workday an Off-Peak single is available on West Midlands Trains but not on Virgin West Coast until 0920.</p> <p>f) <b>Travel in the opposite direction from the Peak flow should be priced as Off-Peak.</b> This would mean commuters travelling ‘against the flow’ would pay less than now. This is particularly relevant for London commuters, but would be appropriate for other cities where peak flows are predominantly in one direction.</p>
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## Part 2 Buying a ticket

<p><b>Should a ticket cost the same however you buy it?</b></p> <p>Passengers using e-tickets (for example tickets on mobile phones, smart travel cards, and on contactless bank cards) could pay slightly less for their travel to reflect the cost savings for the train company, whilst those purchasing tickets at stations would pay slightly more.</p>	<p><b>Do not consider</b></p> <p>This would penalise those unable to use internet or smart-phone technologies.</p> <p>Furthermore, the discount available would probably be too small to be appreciated by the individual traveller and would undoubtedly generate negative press reports.</p>
<p><b>Passengers who make the same journey on a regular basis could have a smart or electronic ticket and pay for each journey that they make. Once the total cost of all journeys reaches a maximum amount they won’t have to pay any more for the rest of the week, month or year.</b></p>	<p><b>Definitely consider</b></p> <p>Railfuture favours replacing Season Tickets with Multi-Journey Tickets or a Loyalty scheme as described opposite.</p> <p>Changes in work patterns, such as part time working and working from home, renders the use of traditional season tickets less cost-effective for passengers and there is a need for a more bespoke approach. Replacing season tickets with a pre-paid multi-journey ticket such as a Smartcard would facilitate this. Substantial discounts on the standard fare could be given, either by applying a cap as detailed opposite or with an increasing discount based on the number of journeys purchased in advance.</p> <p>However it should be noted that the current pricing of Season Tickets is such that this approach might actually cost the passenger more unless the maximum payable amount is set quite low.</p>

<p><b>Online accounts could be available which can be used for rail and other of types of public transport</b></p> <p>e.g. bus, tram, underground and cycle hire. Account holders would be able to purchase, monitor, review and change travel arrangements online.</p>	<p>Maybe consider</p> <p>On line accounts could work well in conjunction with the Loyalty scheme described above.</p>
<p><b>On a scale of 1 to 5 to what extent do you consider it necessary to reform the ways in which tickets can be purchased?</b></p>	<p><b>2. Quite necessary</b></p> <p>All the existing methods for buying tickets should be retained and available from all Operating Companies, including:-</p> <p>At time of travel - Card ticket from a station ticket office and/or vending machine;</p> <p>Purchased on-line - Card ticket from a station vending machine or sent by post; paper ticket printed at home; ticket saved to mobile phone or other device</p> <p>In addition the following methods should be made available or their use extended nationwide:-</p> <p>Ticket purchased via pre-paid smart card or contactless bank card with touch-in/out – particularly appropriate for local travel in conurbations. For local use these are especially useful when a daily maximum cost can be applied.</p> <p>For longer journeys, it will be essential for passengers using a bank card or smartcard to be made aware of the price of their journey each time and, for the latter, the amount of credit left</p>

### Part 3 Any other thoughts

#### Comments on the factors which you think should influence rail fare structures

e.g. peak/off-peak fares; advance fares, or anything else.

- 1) **Annual fare increases for the next five years should be based on Consumer Price Index rather than Retail Price Index (as now).**

We do recognise that industry cost increases tend to be driven by RPI. However passenger fares since privatisation have increased by considerably more than either CPI or RPI due to the initial government policy of RPI plus 2%. It is estimated that in 2017 passenger fares accounted for about 80% of the running costs of the railways (71% in 2015, 57% in 2011 – source: Which). Furthermore, fare increases are the biggest source of complaint by regular passengers and adverse publicity in the national press.

It is thought also that rail fares are taking an increasing proportion of passengers' incomes and that this is contributing to the present decline in ticket sales in South East England, especially season tickets

The recent announcement by the Secretary of State for Transport that future rail fare increases might be based on CPI is most encouraging.

2) **As a principle, all operating companies should offer all versions of walk-on fares**

This would include Anytime singles and return, Off Peak singles and return, Standard class and First class (where first class seats are available). Currently there is considerable variation in this, with many operators offering Anytime First but not Off-Peak and some offering Off Peak returns but not singles.

3) **Major conurbations should make more use of Zonal fares**

These are easy to understand, although non-zonal fares may be necessary for adjacent stations in different fare zones. A cap on daily local travel purchases, similar to that employed by Transport for London, make these even more attractive to passengers.

**Comments on the factors which you think should influence how tickets are purchased**

e.g. online purchase, electronic ticketing, or anything else.

1) **Seat reservations should be incorporated into all printed ticket versions** – some TOCs and/or TVMs still necessitate two card tickets for each journey leg

2) **Advance Purchases On The Day (APOD) should not include seat reservations**, except for elderly passengers or those with young children. This would limit the risk of an existing passenger being required to vacate their seat whilst en route.

3) The validity, in terms of the time of travel and route(s) permitted, of tickets purchased on-line or at vending machines should be displayed prominently at the point-of-sale and printed on the ticket (or displayed on the mobile device used for the purchase), as far as is practicable

4) To prevent escalation of payment avoiders, the extended use of touch-in/ touch -out technologies will necessitate the installation and manning of ticket barriers at all stations within the relevant operational area

**Any other comments**

1) **Adopt a transition period for implementing significant changes**

It should be recognised that even if fare structure changes can be implemented that are revenue-neutral overall , it is most unlikely that it will be revenue-neutral for every operating company individually.

A major rationalisation and/or simplification of fares will produce losers as well as winners both for passengers and operating companies. It is essential that the transition to a new fares

structure is done so as to generate as little adverse comment and publicity as possible. A transition period of, say, 5 years should enable changes to be introduced relatively painlessly and allows time for the DfT to negotiate agreed changes to franchise conditions with minimum impact on budgets.

On a more positive note, fare reductions and simplifications could well generate enough additional revenue to offset losses from this process, although this would only become apparent after two or three years

2) **The current APTIS tangerine card ticket should be redesigned**

In 2014 the railway industry re-designed the layout of information on the traditional card ticket in an attempt to make them clearer and simpler. However, in practice, the newer design is widely regarded by passengers and staff as unsatisfactory, using a mixture of upper and lower case and a mixture of font sizes and types which renders some information hard to read and/or difficult to find quickly. An analysis was undertaken in January 2018 by a private individual "Erinaceidae" and published as a discussion item on the Internet. S)he identified detailed shortcomings of both the pre-and post-2014 ticket designs and then identified the different uses of the ticket information and how and where to print each part. This would make a very useful starting point for a fundamental re-redesign of the ticket and can be read in detail at -

<https://sadhedgehog.com/2018/01/07/practically-redesigned-british-train-ticket/>

- 3) The Routeing Guide which defines valid routes between any two stations is far too complex and even staff have difficulty knowing what is allowed and what is not. It should be revised, not necessarily to remove route options, but to make it easier for staff and the general public to use.
- 4) With the suggestion that routing information on tickets be simplified, a consultation period should be used to enable routing information changes to be checked by the public. Properly advertised, everyone could check their local fares for completeness & report any anomalies. We anticipate this could be completed within two or three months.