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Railway Development  
Society Limited

**Passenger Committee**

Rail Fares and Ticketing Review  
Department for Transport  
Great Minster House 3/15  
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28<sup>th</sup> June 2012

Dear Sir,

**Rail Fares and Ticketing Review: Initial consultation**

We are pleased to submit this consolidated national response on behalf of Railfuture, which has been prepared by the Passenger Committee, with contributions from individual branches. The document has been reviewed and approved by the Committee.

Railfuture is a national voluntary organisation structured in England as twelve regional branches, and two national branches in Wales and Scotland.

If you require any more detail or clarification please do not hesitate to get in touch.

Yours faithfully

*H Thomas*

Howard Thomas  
Railfuture  
Chairman, Passenger Committee

## **Chapter 1: Principles of fares and ticketing regulation**

1.1. Railfuture agrees that the objectives suggested are the right ones. In particular the Government must continue to protect commuter fares, off-peak fares, shorter distance any time (default) fares, and other fares that may from time to time be protected. Government must require operators to participate in NRE and NR Conditions of Carriage, ensuring that a through fare can be purchased between any two stations irrespective of station operator or TOC; where two or more operators ply the same route most tickets default, off-peak etc., should in general be valid with all operators.

However, the objective of allowing more scope for innovation in fares and ticketing could lead to a more complex fare structure, at a time when there is a need to simplify the system. Many passengers find the current fare system confusing, and too often passengers are faced with having 'the wrong ticket for the wrong train'. Railfuture believes that whilst a more innovative approach to fares and ticketing is desirable commercially, it must be effectively controlled to ensure that the objective of protecting passengers from market abuse is achieved.

Above all, we believe that the principles of fares and ticketing should reflect the view that the railway is a public service.

1.2. The current system for ensuring that the Government's regulatory objectives are achieved is ineffective. This is shown in the confusing array of fares available to the passenger, especially when two or more operators are involved in setting the fare. Although station booking offices should be impartial, all too often passengers find it difficult to get information about other operators' fares and services. Railfuture believes that the Government should examine the case for establishing an impartial agency away from TOCs, possibly answerable directly to the Office of Rail Regulation, to set fares.

Other points include the need to establish a cap for peak fares, and to standardise, as far as reasonably possible, the timing of peak hour restrictions on fares.

Overall, the current system of fares and ticketing is not seen to work effectively in favour of the passenger.

## **Chapter 2: Smart ticketing and season tickets**

2.1. Generally, we agree with the benefits, risks and issues that have been identified in relation to smart ticketing. There is no doubt that the experience of smart ticketing such as Oyster in Greater London has made travel for many much more flexible, and reduced the need for conventional ticket offices. However, we would caution that more attention needs to be focused on passenger need than TOC convenience.

Risks and issues that should be addressed however, include: the loss of the expert knowledge of an experienced booking clerk; little or no fares publicity at stations; websites that cannot be relied upon to show the complete range of

fares and their conditions, perhaps because the fares structure is too complex for programmers to handle; the disincentive to part-time workers to use the railway because they often have to pay relatively more per journey than regular season ticket holders.

Railfuture would caution that moves to encourage more commuters to travel outside the busiest periods may not be consistent with many commuters' conditions of service which state specific times and hours of work, and therefore determine when people travel to and from work. The Government's objective of fairness would be undermined by such a move.

2.2. We agree that the right issues with the current system of season tickets have been identified. Our comments here are broadly the same as in the foregoing section 2.1. However, we would add that carnet style tickets should be extended for those who use the railways regularly, but not necessarily daily. Examples of carnets can be found on the Paris Metro, First Capital Connect, and a short-lived experiment on the London Underground.

2.3. Railfuture would expect to see fares charged against smartcards vary by time of day, and possibly by day of week. However, one needs to consider whether Monday to Friday off-peak journeys should be treated the same as Saturdays, Sundays and public holidays. Not doing so could merely add to the existing complexity of the fares structure. A smartcard ticket could also substitute for a carnet style ticket if the fare is to reflect the number of journeys made.

2.4. Whilst we would not wish to see the fares structure becoming ever more complex, and therefore passenger non-friendly, there is a case for considering a season ticket that cannot be used for peak (especially morning peak) journeys. This would be useful for many part-time and 'portfolio' workers who are often better able to manage and negotiate the times when they travel.

2.5. Some types of employment have inflexible working times (typically public services like schools, colleges, hospitals). Flexible working does not suit many employers, never mind their employees. Flexible working and working from home should not be seen as a panacea. The forthcoming Olympics have shown how difficult it is to persuade most employers to change their opening/operating hours and working practices. In spite of many moves in the past to encourage more flexible working, this has not suited many employers, nor for that matter all their employees. To achieve the kind of flexibility envisaged, the Government and/or the TOCs must be prepared to negotiate with employers, quite possibly in the case of the TOCs through their trade association, ATOC. Busy and crowded peak hour trains are a feature of railways throughout the world. The fares structure should not be used to try and discourage people from using trains at busy times of the day, as many people, simply have no option.

2.6/2.7/2.8. N/A

### **Chapter 3: Using fares to achieve more efficient use of rail capacity**

3.1. Railfuture believes that introducing new commuter' fares would not necessarily help the railway to operate more efficiently for reasons already stated in 2.1 and 2.5 above.

3.2. There is an assumption that it is the commuter who can change his/her journey times. As stated in our previous comments it is overwhelmingly the employer who determines the working hours. Further, many commuters now have fixed commitments that prevent them from varying their travel times. A typical example may be the commuter who has to deposit and collect a child from a day nursery at the beginning and end of the working day. To introduce a new range of commuter fares would be adding confusion, and unfairness for those who cannot make the decision to be more flexible, even if they wish to.

3.3. Railfuture would argue that to ensure any new commuter fares structure was as fair as possible, those charged with designing a new structure would have to consult with a wide range of commuters on their travel needs. Above all a new structure for commuter fares must be equitable, and must not penalise those (the majority?) who do not have flexibility. Varying commuter fares by time of peak travelled may only serve to make the fares structure more complex, more inscrutable, more the source of complaint and argument between passenger and TOC staff.

3.4. There might be some very limited scope in using longer distance services to soak up some of the excess peak hour commuter flows. In general, and for very sound reasons, longer distance trains do not call at intermediate stations used by shorter distance commuters. Indeed, that would defeat the objective of fast long distance services! However, if commuters were able to benefit from using faster trains then that is fine and they should not have to pay more for doing so.

### **Chapter 4: Fares and ticketing complexities**

4.1. We are aware of many situations where passengers travelling with AP (Advance Purchase) tickets have been extensively penalised financially when travelling on the wrong train, either through misunderstanding the ticket restrictions, or not having them fully explained at time of purchase, or as a result of favourable but incorrect re-interpretations by platform staff, which are not then honoured by the train conductor later. Similarly, passengers delayed on an earlier leg of the ticket's coverage do not always realise that they can avoid incurring a penalty, excess fare, or requirement to purchase a new ticket, by seeking staff to check and confirm that the alleged delays occurred, before the passenger boards their next suitable train with their now invalid ticket. Unfortunately some staff are less than helpful in this respect. Also, although AP tickets are generally non-refundable, either immediately after purchase or after a defined deadline before the ticket's validity commences, many passengers do not realise they can usually upgrade their ticket to a more flexible ticket later if they wish, paying only the difference between the two relevant fares plus an administrative charge, before the departure time of the first booked train. Again, although this transaction can be carried out at

any booking office, some staff will incorrectly claim that this can only be accomplished at the original booking point.

We believe that sympathy for vulnerable or clearly misled passengers who have boarded the wrong train should be applied with more discretion by on-board staff, and that a requirement to pay the full fare for a new ticket (with no railcard discount either), rather than an appropriate excess fare, in all such situations, is an unnecessarily over-zealous application of the revenue protection process. We certainly believe that the limits and restrictions on AP tickets should be carefully explained at the time of purchase, and printed clearly and unambiguously on the ticket or an accompanying leaflet, together with details of how tickets can be upgraded (even though non-refundable) if the passenger's plans change.

4.2. Railfuture sees that the case for evening out regional disparities is made on the basis that the railway is a public service. As such, the idea of cross-subsidisation between higher yield and lower yield services should not necessarily be dismissed. Many higher yield services are themselves dependent on lower yield services whose passengers connect with them.

4.3. Government must ensure transparency in the fares system. This means open access by passengers to fares information. A problem that has arisen since privatisation has been obfuscation by TOCs over open access to fares data because of 'commercial confidentiality'.

This openness must be supported by a requirement to offer the cheapest, most cost effective fare. Passengers should not be expected to research the possibility of buying multiple tickets to get the cheapest possible fare. This means in effect that the unification of the fares structure should be achieved instead. This is one reason why Railfuture would recommend the establishment of an impartial agency away from the TOCs, possibly answerable directly to the Office of Rail Regulation, to set fares (see section 1.2 above).

## **Chapter 5: Buying tickets**

5.1. For many passengers, the railway booking office is the preferred outlet for rail tickets, because the staff often have the expert knowledge that cannot be provided by other outlets, including web sites. A simplified fares structure would help increase the throughput of purchasers who would not have to waste time negotiating a fare rather than simply buying a ticket. Increased throughput would therefore provide an opportunity to reduce costs through less staff time. At larger stations, the travel enquiry and advanced sales (not inevitably APEX: but normal anytime/off-peak tickets bought before the day of travel) functions should be separated from the immediate sales function. Many busier stations with more than one ticket window still have not introduced unique queuing and should. Ticket offices should all be equipped with induction loops for the hard of hearing. Whilst it may be difficult to identify ways in which station costs may be reduced, the revenue gained by having an open station could be used to offset the cost. Closed booking offices and user-unfriendly ticket machines may encourage ticketless travel,

or discourage potential users of the railway. It is important to remember that the railway is a public service, and not a commercially run airline.

However, Railfuture notes that selling tickets on trains and through ticket machines works well in some areas where resources have been effectively deployed. Schemes such as the Merseyrail shops are a good idea to be studied as examples of good practice. However, it should be noted that schemes like this are more effective for local networks. Ticket machines, especially, seem unable to handle fares requests for more complex and longer distance journeys.

5.2. There appear to be few benefits to the passenger of reducing ticket office opening hours. Alternatives to ticket offices include: ticket machines; on-line ticket sales; the possibility of printing rail tickets at home; travel agents. Most of these alternatives are seen to be hampered by the over-complex fares structure. Many people go to the ticket office because of this, and because they feel they can get expert advice, which is often lacking with the alternatives. Ticket machines are often confusing to use, and generally quote a fare before asking the passenger if he/she will be using a railcard. The sequence of operations on ticket machines must be changed so that railcard passengers get quoted the proper discounted fare 'first time'. Ticket machines often 'time out' on customers, and thus appear to be user-unfriendly. Another aspect is that ticket machines are often placed outside and exposed to the elements making them very unpleasant to use. Passengers cannot 'negotiate' with a machine. Information on-line is often not reliable, perhaps because of the complexity of the fares structure. The limitations of ticket machines need to be recognised.

One issue with on-line sales is the surprisingly low proportion of households that have internet access (63% according to market research carried out by Chelsea Football Club in 2009). The practice in some areas of offering a discount for people who use the internet is seen as discriminatory and unfair. With on-line sales, passengers have less confidence that the ticket they have bought for their journey is appropriate than if they had bought it at a ticket office.

There are now very few travel agents who sell rail tickets. Many only sell air travel. A lot of work would have to be done by the rail industry to persuade travel agents to once again sell rail tickets given the complexity of the current system.

Overall, we see few benefits to the passenger of reducing ticket office opening hours. It is difficult to ascertain precise costs of this measure, but they are likely to include: lost revenue through loss of potential customers to other modes; loss of revenue through increased opportunities for ticketless travel; the cost of security (police, security firms etc.) for unmanned stations, especially at night; the increased cost of recovery from vandalism. There is an argument that says it is better to save these costs by the cost of keeping the ticket office open, albeit with more flexible and cost effective use of staff.

At present there appears to be no genuinely acceptable alternative to the ticket office for satisfying most ticket/rail travel arrangements. This is especially the case with sales of tickets for immediate travel, something the railway can offer, but the airline cannot.

5.3. There must be better publicity about alternative arrangements when ticket offices are closed. Too often, passengers are 'on their own' when ticket offices are closed. Regular passengers may know the system, but occasional users do not. It is particularly important for passengers to be reassured that staff issuing tickets on the train are 'customer friendly', especially when there is an unscheduled ticket office closure.

Above all, it is fundamentally important that the passenger has access to the same range of fares from a ticket machine, and on-board staff, as they would from a ticket office. Tickets from machines should show the restrictions applicable to such tickets and off-peak tickets should be available a few minutes before the departure time of the first off-peak train. Where there is a choice of routes for a particular journey, the ticket machines must describe these as clearly as possible. For example, the cheapest and most direct route from Reading to "Dorking Stations" is via Guildford but many ticket machines describe this route as "Gomshall". Who outside Surrey has even heard of Gomshall?

5.4. Although it would seem desirable that passengers should be able to buy their tickets from a wide range of outlets, few outlets outside the railways' sphere of influence have the skills, knowledge and experience to satisfy this role. Such a move would require a huge sum of investment in training and adaptation of other businesses that would not necessarily wish to cooperate for their own profit maximisation reasons. The fares structure would have to be considerably simplified for such a move to be effective. Above all, the passenger has a reasonable expectation that wherever and however he/she has bought a ticket, the ticket has been bought *uberrima fidei*, and the customer is reassured that the ticket is the correct one for the journey undertaken *ab initio*.

5.5. What is needed above all is a simplification of the fares structure. This includes a simplification of the rules for off-peak travel. Tickets could be colour coded. Railfuture believes that the rules should not be left to the TOCs to decide. After all, passengers are not particularly interested that a particular TOC is providing the train they are riding on. Where restrictions on off-peak tickets are applied, these should be within the same minimum/maximum time band and the band should not be widened. Some of the proposals in the consultation would add to the complexity and confusion, and reduce customer perception of fairness. With this loss, goes the opposite perception of market abuse.

## **Chapter 6: Next steps**

6.1. We note that there is no reference to the complexity of the different categories of railcards, their widely different conditions of use, the different time restrictions, some only applicable in the former (and for many

passengers the unknown or long-forgotten “Network” area), and indeed the “Network Card” itself offering discounts only in London and the South-East. We recommend a major re-evaluation and simplification of these railcards’ conditions and limitations, although obviously not all the entitlements, introduction of other regional or even a national railcard, and that they be given greater publicity to encourage greater use of discounted fares where they can be applied, and potential rail use increased. There is no mention of facilities for tourists to buy advanced tickets, nor of ‘Rover’, ‘Ranger’ or ‘Round Robin’ ticket availability and purchase. Likewise, facilities for rail/sail and group/party ticketing have not been considered.

6.2. The consultation makes no comment about the role of ticket gates. Railfuture believes that the role of ticket gates should be reassessed. Ticket gates are viewed by some travellers as intimidating, and there are doubts about their effectiveness in bringing in more revenue, contribution towards revenue protection, and therefore cost effectiveness. In any case, although expensive to install, they are often left open for long periods, especially in the evenings, due to lack of staff to supervise them, and are therefore quite limited in their ability to frustrate fraudulent travel.

Finally the Government and the rail industry should be more prepared to examine examples of good practice in fares and ticketing that may prevail in other EU countries.