



# Rail delays and compensation

– what passengers want  
November 2016



Department  
for Transport



transportfocus 

# Introduction

Passengers want their trains to be on time – having a punctual service they can rely on is a top priority. When passengers buy a ticket they enter into a contract with the train company which covers, among other things, compensation when their journey is delayed beyond a certain length of time. Yet research in 2013 by Transport Focus found that few passengers actually claimed what they were entitled to. Transport Focus, the Department for Transport (DfT) and the Office of Rail and Road (ORR) are pleased to work together to update and build on that research.

Evidence from this latest research provides valuable insight into passengers' experience of delays and claiming compensation. It shows a significant increase in the number of eligible passengers claiming compensation,

from 12 per cent in 2013 to 35 per cent in 2016.

The findings help us understand why some passengers don't claim compensation. It highlights a need to increase levels of awareness about compensation schemes. It also explores what passengers would like to see from the compensation process in the future.

It is clear that progress has been made by the rail industry over the past few years. However, there are still areas that require improvement. This research provides a robust benchmark of the current situation and is a basis on which future changes might be monitored and measured.

We shall continue to work together with the industry to help more passengers claim the compensation they are entitled to.



**Anthony Smith**  
Chief Executive

Transport Focus is the independent transport user watchdog. We have a strong emphasis on evidence-based campaigning and research. Our mission is to get the best deal for passengers and road users.



**Peter Wilkinson**  
Managing Director  
Passenger Services

The Department for Transport sets the strategic direction for the rail industry in England and Wales. We are committed to ensuring that passengers get the services they need and deserve.



**Joanna Whittington**  
Chief Executive

The Office of Rail and Road is the independent economic and safety regulator for Britain's railways, and monitor of performance and efficiency for England's Strategic Road Network.



# Background

In 2013, Transport Focus carried out research to understand rail passengers' experiences of delays and compensation. In recent months there has been a welcome spotlight on the area of train performance and the compensation offered to delayed passengers. A super-complaint made by Which? to the ORR called for an investigation into rail delay refunds. Transport Focus, the DfT and the ORR were keen to work together to carry out new research to assess the progress that has been made since 2013 and

to highlight the areas that require further improvement.

This report updates and builds on the previous research. In it we explore passengers' experiences of delays when travelling by train, their awareness of eligibility to claim compensation, their experiences of claiming compensation and attitudes towards current compensation policies and processes. This new research provides a snapshot of the current situation and gives an indication of the changes that have taken place since 2013.

## Passenger compensation schemes

The National Rail Conditions of Travel set out passengers' basic rights when they travel on the rail network. This includes their right to claim compensation if their journey is delayed. There are a number of different schemes for compensating passengers. All train operators have a Passenger's Charter which sets out their commitments to their passengers, including details of their compensation scheme.

### Delay Repay

Most train operating companies now use a scheme called Delay Repay which offers a standard entitlement to compensation. Passengers who are delayed by 30 minutes or more are entitled to a refund of at least 50 per cent of the cost of their single ticket. Passengers who are delayed by 60 minutes or more are entitled to a refund of at least 100 per cent of the cost of their single ticket. All ticket types are covered by Delay Repay, including season tickets. Compensation is payable no matter what the reason for the delay.

### Other compensation schemes

If train operators don't offer Delay Repay they offer their own compensation scheme instead. These schemes vary between individual train operators. Compensation may be payable for delays above a threshold of either 30 or 60 minutes and the amount of compensation varies. Season ticket holders are not usually entitled to compensation for individual delays but may receive a discount or refund if performance falls below a certain threshold. Compensation may not be payable for delays caused by something outside the control of the train operator.

### Automatic compensation

At the time of this research two train operators using the Delay Repay scheme were offering automatic compensation to some of their passengers. Virgin Trains West Coast customers booking an Advance ticket through its website or app receive an automatic refund to the card they paid with. c2c customers using a c2c smartcard receive an automatic credit to their online account.

### Delay threshold and eligibility used in this research

For the purposes of this research we have chosen to use a delay length of 30 minutes or more. This is consistent with the entitlement to claim under the Delay Repay scheme offered by most train companies. Where we refer to 'delay'/'delayed passenger' or 'eligibility'/'eligible passenger', we are indicating a delay of 30 minutes or more.

We used the standard entitlement under Delay Repay when assessing views on the basis for eligibility for compensation; that is, compensation of 50 per cent of the cost of the ticket for a delay of 30 minutes or more and 100 per cent for a delay of 60 minutes or more, irrespective of the type of ticket or the reason for the delay.

We acknowledge that our use of the 30 minute threshold for delays and Delay Repay compensation levels may not be correct for some participants in this research who travel with the few operators still using older style bespoke compensation schemes.

## How we did it

We carried out online interviews with over 8000 passengers as part of this research.

The quantitative study includes two samples. The first is a randomly selected sample of more than 7000 rail passengers designed to represent all groups of passengers. The other is a smaller sample of over 1200 rail passengers designed to replicate the approach used in 2013 where we re-contacted passengers who had previously taken part in the National Rail Passenger Survey.

For the purposes of this summary report we are using the findings from the larger, more robust sample. Where we make comparisons with the 2013 research we have also used the data from the larger sample although the revised methodology adopted for 2016 means the main sample is not directly comparable. Any differences should therefore be regarded as 'directional' rather than definitive.

We are confident in using the data from the larger sample because the smaller, directly matched sample shows the same directional changes. We can explain any differences between the smaller and larger 2016 samples given the source and nature of the two samples.

As in 2013 we based this research on passengers who have been delayed by more than 30 minutes when travelling by train in the last six months (3500 of the main sample of 7000 passengers). As noted previously the 30 minute threshold was selected as it is consistent with the entitlement to claim under the Delay Repay scheme offered by most train companies.

500 shorter interviews were also conducted with passengers from the main sample who had not

experienced delays so we could understand how their attitudes to compensation policies and processes might differ from those of delayed passengers.

The research was conducted by the independent research agency Breaking Blue<sup>1</sup>.

All quantitative interviewing was carried out in March 2016<sup>2</sup>.

Breaking Blue also ran an online community of 29 rail passengers to give us further insight into passengers' views. The topics covered mirrored those in the quantitative survey and the community ran from March to April 2016.

The full agency report is available on the Transport Focus website: <http://bit.ly/DelaysandCompensation>



<sup>1</sup><http://www.breakingblueresearch.com/>

<sup>2</sup>Fieldwork was carried out before the ORR issued its response to the Which? super-complaint (<http://orr.gov.uk/info-for-passengers/complaints/rail-compensation-super-complaint>). Participants' views will not have been influenced by that response and any subsequent changes made by industry.

# Recommendations

## **Use a range of channels to tell passengers when they qualify for compensation and how to claim**

- There is a clear and continuing need to increase levels of awareness among passengers regarding their eligibility to claim compensation and how to make a claim.
- Train operators should take further steps to raise general awareness that compensation schemes exist and to familiarise passengers with the eligibility requirements. Posters on trains and at stations are a key part of achieving this, supported by information on the train company's website.
- It is also vital to inform passengers each time they experience a qualifying delay. Announcements should be made on trains and at stations, claim forms handed out and electronic notifications issued to let passengers know about their individual eligibility and provide the information they need to make a claim.
- A wide variety of communication channels and tools should be used to reach all passengers.

## **Reduce the time taken to resolve compensation claims**

- Passengers are less satisfied with the average response time than they were in 2013, despite the fact that the average claim is settled in the same time of around three weeks.
- Further evidence that passengers' expectations in this regard have risen can be seen in the increasing proportion of claimants feeling the need to prompt the train company while they wait for a response. This is likely to be exacerbated by the fact that less than half of claimants recall receiving an acknowledgement that their claim is being processed.
- Train operators should speed up the process of resolving a compensation claim to meet passengers' expectations.
- An acknowledgement should be issued in response to each claim so that passengers know what to expect and how long it will take.

## **Make the claims process swift and simple, with a choice of options to suit individual passengers**

- To encourage passengers to claim compensation it is important to offer a range of options for both claiming compensation and receiving the payment.

- Choices for making a claim should include online or via an app, in person at ticket offices and via claim forms.
- Some passengers don't claim compensation because they think it would take too long or that the process would be too complicated. Train operators should positively promote the benefits of improved compensation processes to customers to overcome any negative perceptions.
- In terms of receiving a compensation payment, passengers would like operators to offer refunds to their card or bank account and the option to get a refund at the station, in addition to offering vouchers and cheques.

## **Consider offering automatic compensation schemes**

- Where a delay has already inconvenienced passengers the process of claiming compensation should not create additional frustration.
- There is a clear desire for compensation to be paid automatically, using technology to make the compensation process easier for passengers.
- Train operators should consider how to develop and offer automated processes where appropriate and possible.

## Key findings

### Current experiences of delays

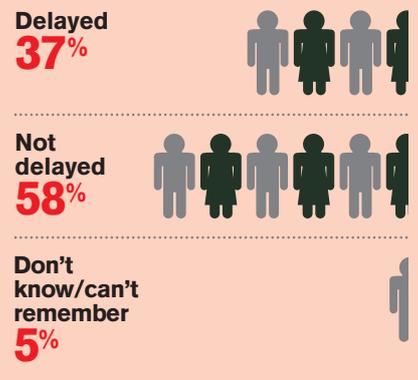
The research explored passengers' experiences of delays while travelling by train. More than a third of rail passengers report being delayed by 30 minutes or more at least once in the past six months (chart 1). Among those delayed, nearly a quarter had suffered more than three delays. The majority of delays lasted less than an hour, but one in ten delays lasted more than two hours or caused the passenger to abandon the trip. While this research was intended to cover compensation, comments from passengers also highlighted that the industry needs to focus on the root cause. Many suggested the priority should be preventing delays so that there is no need to provide compensation.



"Finding every possible way to eliminate the delays is the ultimate goal. Train operators should look seriously into this since delays disrupt plans of passengers, and no amount of compensation can really fix this issue."

Commuter

### Chart 1 Passengers' experience of a delay of 30 minutes or more in the last six months



**Q** And thinking about the last six months, has any train that you have travelled on been delayed by 30 minutes or more?

Base = 3278 (All train users from general population sample)

## Claiming compensation

35 per cent of eligible passengers claimed compensation or received automatic compensation for their most recent delay (chart 2)<sup>3</sup>. This is a significant and welcome increase from the 12 per cent of eligible passengers found to be claiming in the 2013 research. However, it still leaves two thirds of eligible passengers not claiming the compensation they are entitled to.

**35%** of eligible passengers claimed compensation for their most recent delay

Certain factors make passengers more likely to claim compensation. There is a clear link between the cost of the ticket and how likely a passenger is to claim, with holders of more expensive tickets more likely to claim. Passengers, especially commuters, who experience more frequent delays are also more likely to claim.

There are also significant differences in claim rates between different train operators. Among eligible passengers travelling with operators who offer Delay

### Chart 2 Proportion of passengers claiming compensation

Claimed  
**35%**



Did not claim  
**64%**



Expect future season ticket discount or extra days  
**1%**



**Q** Did you claim/receive compensation or a refund for your delay on this particular occasion?

Base = 3526 (Delayed by 30 mins or more in last six months)

"I always claim back after a delay. I find it a good system and easy to use. Have never had a negative experience with it."

Commuter

"I always claim for my journeys when they are cancelled or delayed by over 30 minutes. My season ticket costs a fortune and I do not believe that the service I get reflects the cost of the ticket."

Commuter

Repay the proportion claiming for their most recent delay ranges between 19 per cent and 56 per cent. This indicates a lack of consistent practice across the rail industry.

"When I've been significantly disadvantaged by a delay I make sure to claim due to me being let down by a service I expected to be on time."

Leisure

<sup>3</sup>For the purposes of this research we have chosen to use a delay length of 30 minutes or more as it is consistent with the entitlement to claim under the Delay Repay scheme offered by most train companies. Where we refer to 'delay'/'delayed passenger' or 'eligibility'/'eligible passenger' we are indicating a delay of 30 minutes or more.

"I was very frustrated that a small 10 minute delay arriving to Peterborough would actually cost me an hour of time waiting for the next train to Stamford. I know I should, but I probably don't claim compensation 75 per cent of the time I'm delayed over 30 minutes. Mainly it's because it seems like a hassle and I expect to have to fight tooth-and-nail to actually get any money out of the train operators!... It doesn't seem worth the hassle just to get a few quid back."

Leisure

## Why passengers don't claim compensation

Two thirds of passengers who would be eligible for compensation do not claim. More than half of these are not aware that they could make a claim, although this proportion is down from three quarters in 2013.

The majority of those who do not claim divide into two groups, those who don't believe they are entitled to claim for that particular journey (23 per cent) and those who simply don't think about claiming (34 per cent).

A small number of eligible passengers (seven per cent) take a deliberate decision not to claim. The main reasons for this are that they don't think the value of the compensation is worth the bother, because it would take too long or because the process is too complicated (chart 3). However, there are variations by passenger

journey purpose; for example, when business travellers don't claim it is often because the ticket was paid for by someone else.

Most passengers say they would consider claiming compensation if they were delayed by 30 minutes or more in the future.

**64%** of eligible passengers didn't claim compensation for their most recent delay

**57%** of eligible passengers weren't aware they could claim compensation or didn't even think about it

"I have not claimed before. I've been told it's more hassle than it's worth."

Commuter

**Chart 3 Reasons for deciding not to claim compensation (%)**

The value of any compensation would not be large enough to be worth the bother	37
It would take too much time to claim for compensation	29
The claiming process is too complicated	22
I forgot to claim	10
Ticket was paid for by somebody else	9
I did not know how to claim for compensation (and did not try to find out)	8
I was uncertain if I was eligible for compensation for this journey	6
I knew for certain that I was not eligible for compensation for this journey	2
I tried to find out how to claim for compensation but could not	1

**Q Why did you decide not to claim on this occasion?**

Base = 238 (Delayed by 30 mins or more in last six months and knew they could claim but did not)

## Passengers' views on their eligibility for compensation

The majority of passengers (70 per cent) correctly identify that a delay of 30 minutes is generally the threshold that allows them to claim compensation (chart 4). Awareness of this threshold has more than doubled since the 2013 research when a third of passengers correctly identified this. However, up to a quarter of passengers still believe that

they can claim for shorter delays.

Three quarters of delayed passengers are satisfied with the current basis for eligibility for compensation<sup>4</sup>. We tested a number of potential improvements among the 14 per cent who are dissatisfied. Two thirds of those believe that more than 50 per cent of the ticket cost should be paid for a delay of 30 minutes.

Approximately half think that compensation should be paid for shorter delays (chart 5). Opinion was equally divided between 10 or 15 minutes' delay being the most appropriate threshold for compensation. Among commuters, the number satisfied with the current basis for eligibility for compensation falls to two thirds.

**Chart 4 Passengers' perceptions of eligibility for claiming compensation (%)**

You are making a journey by train and you arrive at your destination station...

■ Not entitled ■ Entitled ■ Not sure



**Q** When trains are delayed or cancelled, passengers can sometimes claim compensation or a refund from the train operator. Under which of the following circumstances do you think passengers are currently entitled to claim compensation or a refund?

Base = 3526 (Delayed by 30 minutes or more in last six months)

"I think 30-60 minutes cut-offs are OK in most cases, but sometimes a short 15 minute delay can have a severe impact on your day, and then you get nothing. Also, for shorter journeys (commuter journeys mainly), having shorter delays all the time is much more common than one long delay. In those cases, you get no compensation even when your commute is significantly affected."

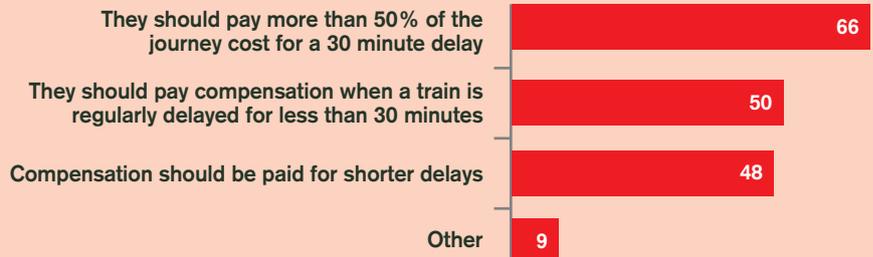
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<sup>4</sup>We used the standard entitlement under Delay Repay when assessing views on the basis for eligibility for compensation; that is, compensation of 50 per cent of the cost of the ticket for a delay of 30 minutes, irrespective of the type of ticket or the reason for the delay.

"Delays of less than 30 minutes happen very regularly for me on my route and I have to build in extra time to allow for this so that I am not late for work or meetings. I shouldn't have to do this. I think if train companies have consistently poor punctuality, customers should be compensated."

Commuter

### Chart 5 Reasons for dissatisfaction with basis for compensation (%)



**Q** Why are you not satisfied with this basis for paying compensation?

Base = 480 (Delayed by 30 mins or more in last six months and dissatisfied with basis for compensation)

"I feel that it is too long a time. The delay time should be shorter, like 15 minutes."

Business



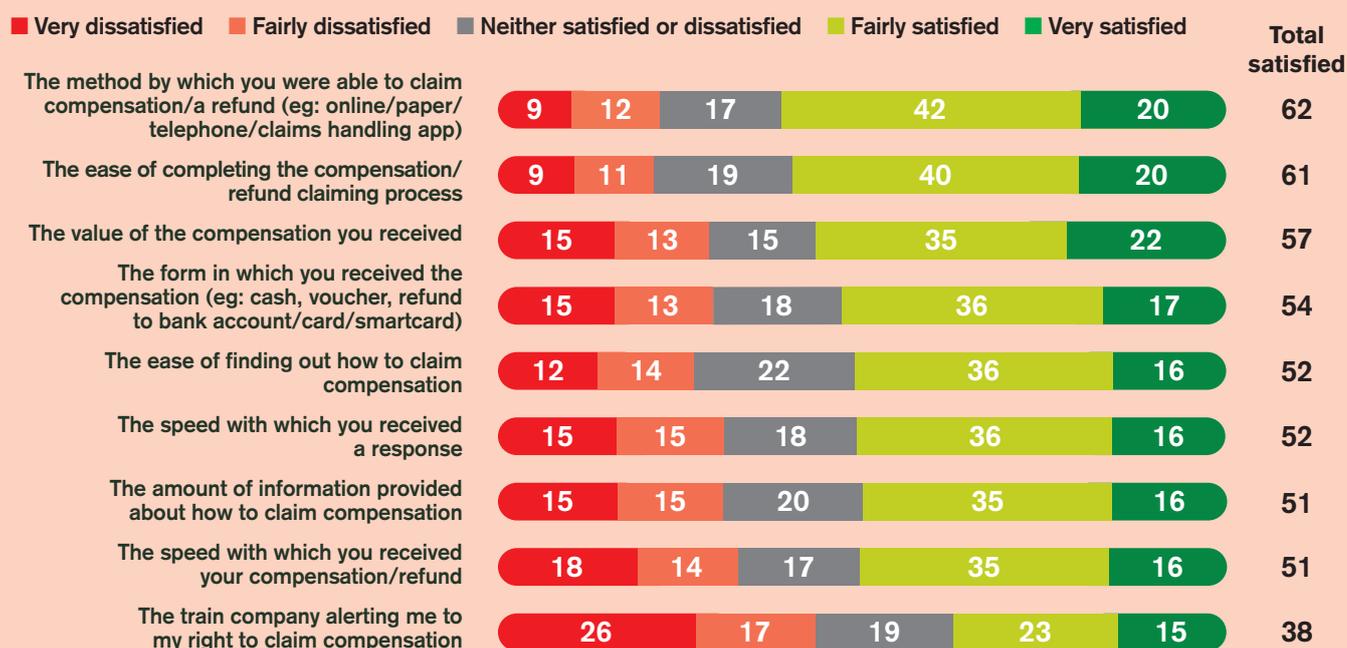
## Satisfaction with the current process

We asked passengers who have been through the compensation claims process to tell us how satisfied they are with it. Satisfaction with all aspects is relatively low, with levels ranging from 62 per cent

to 38 per cent. It is also important to note that up to 26 per cent of claimants are very dissatisfied with certain aspects of the process (chart 6). Passengers are less satisfied with all aspects of

the process than they were in 2013. Commuters and season ticket holders are generally less satisfied than other passengers.

**Chart 6 Passengers' satisfaction with certain aspects of the claims process (%)**



**Q How satisfied were you with each of the following aspects of your compensation claim?**

Base = 1184 – 1254 depending on statement (Delayed by 30 mins or more in last six months and have claimed compensation)  
Don't know/can't remember (between 1% and 6%) excluded

## Length of time it takes to resolve claims

Just over half of passengers are happy with the speed with which they received their compensation. They are less satisfied with this aspect than they were in 2013 despite the fact that the time taken to resolve a claim has stayed the same, at an average of three weeks.

We also know that less than half of claimants recall receiving an acknowledgement that their claim is being processed and that a quarter feel the need to prompt the train operator for a response

to their claim. This may indicate that passengers expect a claim to be resolved more quickly than it is.

*"I feel the claim procedure is very long-winded however and often puts people off as there has been about six weeks between me sending and me receiving my compensation."*

Leisure

## Improving awareness and information about compensation

For delayed passengers the most common source of information about the right to claim is direct from the train operator. This includes announcements on the train or at the station, information at the ticket office and information on train company websites. However, a significant minority are being informed by sources other than the train operator, notably other websites and via word of mouth (friends, colleagues or other passengers).

The number of passengers who knew they could claim and initially found out via an announcement on the train ranges between three and 29 per cent depending on the train operator. Passengers of train operating companies with Delay Repay schemes are more likely to report being made aware via announcements. Conversely a greater proportion of

those delayed on train companies with older style bespoke schemes ask station staff or find out from fellow passengers<sup>5</sup>.

The level of satisfaction with awareness and information provision is low. Only 38 per cent of passengers are satisfied with the train company alerting them to their right to claim compensation while 26 per cent say they are very dissatisfied with this element. 51 per cent of passengers are satisfied with the amount of information provided about how to claim compensation and 52 per cent are satisfied with the ease of finding out how to claim compensation (with 15 per cent and 12 per cent respectively very dissatisfied).

We asked passengers who did not think about claiming compensation the best ways to inform them about their

right to claim. They selected their top two preferences from a list of suggested options. The results indicate that a variety of channels are required to reach all passengers.

Posters at the station and on the train, announcements by staff on the train, electronic notifications from the train operator and claim forms handed out on the train are all strong preferences (chart 7). It is likely that the different channels serve different purposes. Posters may raise general awareness about compensation schemes and eligibility. Other channels may serve to alert the passenger when they actually experience a qualifying delay. Significantly, a fifth of these passengers say they would simply like to find out about their compensation rights by receiving an automatic refund.

**Chart 7 Passengers' preferred means of being made aware of their right to claim compensation (%)**

Posters at the station	27
Announcement by staff on the train	26
Automatic refund from the train company	20
Posters on the train	19
Electronic notification from the train company	18
Claim form handed out on the train	17
The internet	11
Announcement by the train company at the station	10
Information given at the station ticket office	8
Claim form handed out at the station on the day	8

Responses less than 3 per cent excluded

**Q Please can you select the two ways you would think would be best to let you know about your right to claim compensation?**

Base = 2025 (Delayed by 30 mins or more in last six months and did not think about claiming compensation)

"I'd like to see some leafletting done on trains to demonstrate to travellers exactly how the claims process is done and how quick the process is. I think it is the train operators' moral responsibility to do this."

Leisure

<sup>5</sup>We acknowledge that our use of the 30 minute threshold may not be correct for some participants in this research who travel with the few operators still using older style bespoke compensation schemes.

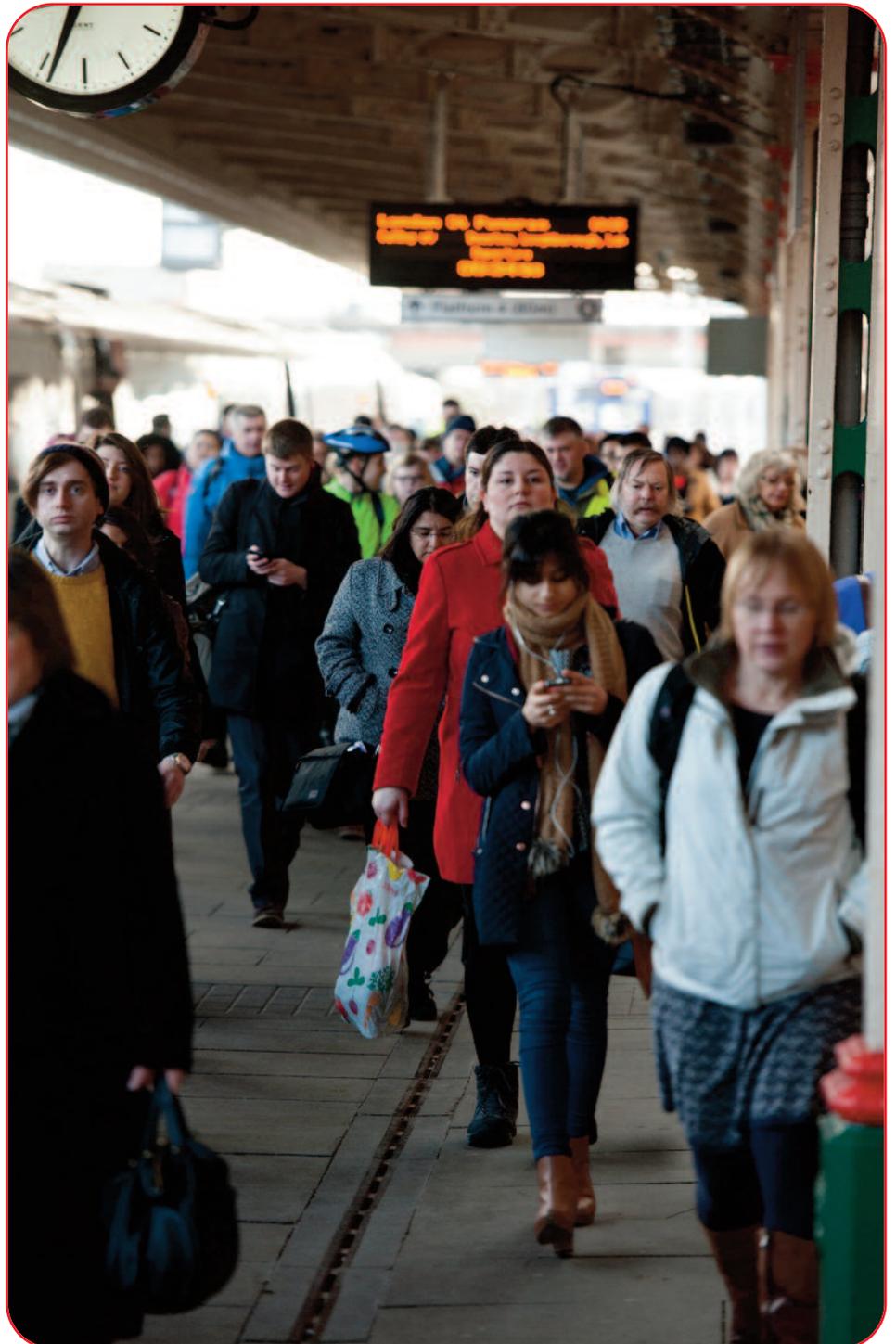
"I have very rarely been given any information whatsoever after delays. However on a recent Leeds-Edinburgh journey the announcer did give clear instructions on claiming compensation for the delay. I am a regular rail user and trains I use are regularly delayed, but I have never experienced this before. It was a surprisingly positive part of this experience and should be done more often."

Leisure

"They should announce when a journey is eligible for compensation and detail how to claim."

Business

**38%** of passengers are satisfied with the train company alerting them to their right to claim compensation



## Making a compensation claim

Currently just over a third of passengers who make a compensation claim use a claim form that they post to the train company or hand in at the train station.

A further third claim compensation via the train company's website or app. The majority of the remainder either email or write to the train company. Only three per cent of all passengers who are eligible for compensation receive a refund automatically without having to submit a claim. This is because of the limited number of schemes currently offering automatic compensation.

In terms of satisfaction, the ratings for the method of making a claim and the ease of completing the process are the highest of all the aspects evaluated. However, at 62 per cent and 61 per cent respectively there is still considerable room for improvement.

We asked delayed passengers to tell us how they would prefer to make their claim for compensation. Given the choice, 40 per cent of delayed passengers would

like compensation to be paid automatically rather than making a claim. Of those, 32 per cent would prefer a refund to the card used to buy the tickets, while a further nine per cent would prefer a refund to an online account or a smartcard<sup>6</sup>. The next most popular options are claiming online (27 per cent) or in person at the ticket office (19 per cent).

*"Automatic compensation would also make me much more likely to buy directly from operators rather than going through third parties such as Trainline since it would make it easier for me to get my money back."*

Business

*"I think it would be made much better if when entering the details of the refund online it is somehow automated so you could see information on that journey and whether your claim would be valid immediately rather than wasting your time filling in a form. Also being able to track the progress of your claim."*

Commuter

**40%** of delayed passengers would like compensation to be paid automatically, if given the choice

<sup>6</sup>Difference due to rounding.

## How compensation is paid to passengers

There has been a significant shift in the form in which passengers receive compensation. Fewer passengers now receive Rail Travel Vouchers; two fifths compared to three quarters in 2013. Nearly a quarter now receive either a cheque or a refund to their card or bank account<sup>7</sup>. 54 per cent of passengers claiming compensation say they are satisfied with the form in which they received this.

We asked delayed passengers to tell us what form they would prefer to receive their compensation in, selecting up to three responses from a list of suggested options. The top preference is for a refund to their card or bank account (in response to submitting a claim). The second highest preference is for an automatic refund to their card or bank account (without submitting a claim). This means that overall two

thirds of passengers would value a refund to their card or bank account. There has also been a clear increase since 2013 in the number of passengers who would like to be able to get immediate cash compensation from the ticket office. This is the third highest preference.

*"The claim form was not too complex but then I had to send it away and only received a paper voucher even though the ticket was bought online."*

Business

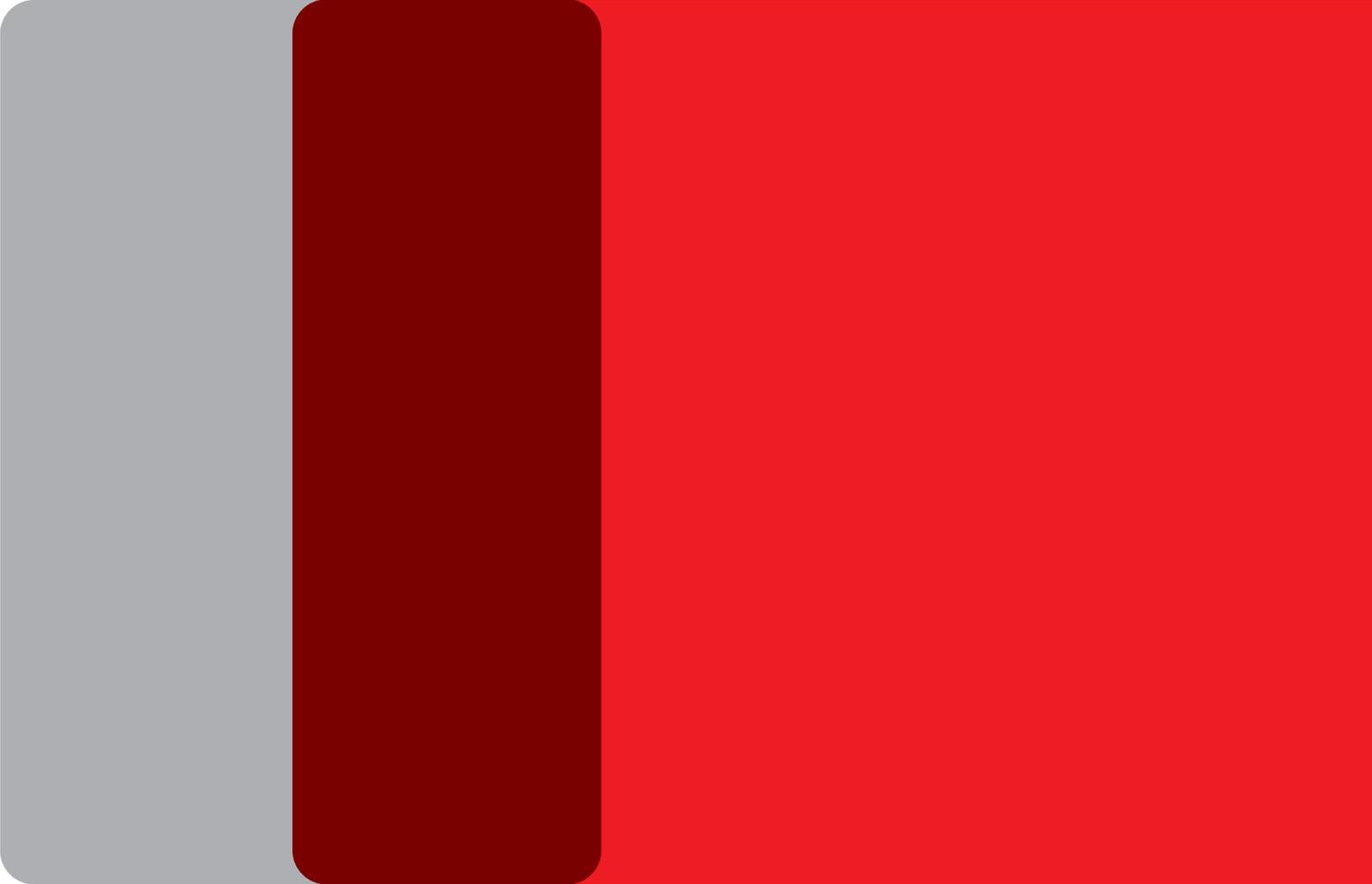
*"In general, I think it is easy to use and fair for the passenger. It's a nice gesture, even if sometimes the disruption created by a delay is worth much more than the fare!"*

Commuter

## Value of compensation

57 per cent of passengers who made a claim say they are satisfied with the value of the compensation they receive. However, this falls to 31 per cent for season ticket holders.

<sup>7</sup>Changes to the National Rail Conditions of Carriage in July 2015 mean compensation must be paid in money rather than vouchers, if requested.



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