



# The structure of the rail industry

What do passengers think ?

March 2019

## Foreword

Over the past 20 years, there has been considerable investment in infrastructure and rolling stock and yet too many people still do not get the train service they are paying for. It is time for change. Transport Focus welcomes the Williams Rail Review – it provides the opportunity to reform the structure and systems of the railway.

Passengers are the lifeblood of the railway, without them there is no railway. So we welcome the promise to put passengers at the heart of the review – it is essential that the railway is structured and governed in such a way that it can best deliver the services that passengers want.

But what do passengers want? What do they think of the current structure and do they actually care? To make sure their voice was heard Transport Focus went out and asked them. This report sets out what they told us.

### Jeff Halliwell

Chair, Transport Focus

## Introduction

In a series of focus groups in London, Birmingham, Manchester, Glasgow and Cardiff, Transport Focus asked passengers about:

- Their current experiences with rail
- What they knew about the rail industry as a whole
- What works well and what needs to be improved
- What they knew about the overall structure of the rail industry and how changes are made
- How, ideally, should the rail industry be structured
- How should passengers be consulted and informed about rail
- How should changes be delivered

The groups were set up to cover a range of different journeys (commuter, business and leisure), different age groups, and a mix of journey lengths. By being spread across the country the research also ensured that several different train services were covered.

## What did passengers think about current services?

Investment does get noticed - it wasn't all doom and gloom.

Transport Focus has long known that passenger satisfaction is improved by new trains and major station development. There was also recognition that WiFi on trains has improved. Increasing the ability of passengers to use travel time productively (whether for work or social purposes) is becoming one of the main competitive advantages of rail over other modes of travel.

At the same time concerns and complaints are never far from the surface. Many of these are informed by personal experiences but perceptions can also be formed through friends/family and the media. This research reconfirmed previous understanding that commuters and leisure passengers have different expectations and experiences. Commuters often feel hard done by – they are a captive audience, travelling on busy services and being asked to pay more each year even if performance is going down.

Few people felt they had a relationship with their train company, and where they did it was seen as one-sided. Most people defined themselves as 'passengers' rather than 'customers'.

## What did passengers know about 'the railway'?

Passengers' understanding of how the railway is structured and operates is limited and vague. They know that train companies run trains and that 'someone' owns the tracks and that Government has 'some sort of role'.

This is perhaps quite understandable – you don't need an in-depth knowledge of how health care is structured to know what you want when you go to the doctor. Moreover, most passengers knew what they wanted from the railway – their focus was on *outputs* rather than structures. Equally, the lack of clarity and the sense of fragmentation often led to conflicting expectations and confusion about who was in control and where all the money from fares went. The question of accountability – or, to be precise, a lack of it – came up time and time again. This coupled with the perceived lack of customer-focus lead many to think that the system was based around the needs of the railway rather than the needs of passengers.

## What did passengers think about industry structures?

To help generate debate passengers were asked their thoughts on four simplified structures for running the railway, each with a different degree of public/private sector involvement.

Entirely private model

Existing franchising model

Existing concession model

Entirely public model

Passengers recognised pros and cons within each. Fully public or private models had a simplicity that was attractive while the ‘hybrid’ franchise and concession models were seen as a way to harness strengths from both sectors.

Perhaps most crucially, there was a recognition that there is no one-size-fits-all model. For example, genuine head-to-head competition was welcomed by some as it would ‘sharpen-up’ operators and generate a more customer-driven approach. Passengers in the Birmingham group really valued the choice they had when travelling to London. But it was recognised that while this may be possible for some inter-city routes it would not work for urban/metro services. Where market forces were weaker (especially for the ‘captive commuter’) there was a much stronger need for public sector engagement/protection.

The consensus was quite pragmatic in suggesting there is a role for market forces and regulation – sometimes operating in tandem. Using the benefits of competition where it makes sense to do so and having greater public sector involvement where it does not.

**In among all the views expressed there were some common themes or messages:**

- That rail is a public service. This does not mean that it cannot involve the private sector or that there is no room for competition, just that the structure/model used to run it must accommodate and embrace the social purposes of rail as well as other attributes.
- The need for greater clarity over roles. Whichever model is selected it has to be clear to passengers who is in charge and how they can be held accountable. Some passengers recognised the role (and value) of an independent watchdog and the use of research and reports in helping ensure that those who run the railway are held to account.
- The need to build a better, more customer focused and personal relationship.

## Next steps

Transport Focus has submitted this report to the Williams Review (and full results supplied by the research agency – Illuminas - can be found on the Transport Focus website)

<https://www.transportfocus.org.uk/research-publications/publications/williams-review-what-do-passengers-think-about-the-structure-of-the-railway>. It forms a second submission and builds upon the themes set out in *Williams Rail Review: what do passengers want?*

(<https://www.transportfocus.org.uk/research-publications/publications/williams-rail-review-passengers-want/>) (February 2019).

A third submission will soon follow, setting out the views and aspirations of non-users – since it is vital that any new structure also looks to attract new future passengers.

Finally Transport Focus is also preparing a report that will look at levels of trust – do passengers trust their train company and what can be done to improve this relationship?