

Passenger Focus email submission sent to the Office of Fair Trading

From: David Sidebottom

Sent: 29 March 2012 12:46

To: Tom Heideman

Cc: Mike Hewitson

Subject: FW: OFT Inquiry: acquisition by Trent Barton of Felix Bus Black Cat and Ilkeston Flyer business

Tom,

I refer to your recent email addressed to Mike Hewitson. Mike and I have looked at your request and I hope this response is useful.

From the outset I should emphasise that the short-timescale prevents anything more than a brief response.

Trent Barton and Felix used to share services on the 'Ilkeston Flyer' (Ilkeston-Kirk Hallam-Derby) and 'Black Cat' (Mansfield-Ilkeston-Derby) routes. The combined timetable provided a reasonable spread of services for passengers and there seemed to be an effort to promote the line as a whole rather than aggressively compete via the timetable/scheduling.

Trent Barton have made public statements confirming that there are no 'current plans' to alter services: the route will be run as a separate business unit and ex-Felix staff will be retained and used on the route. So, from an immediate passenger perspective there is unlikely to be any noticeable impact on passengers – buses will run as before with probably the same drivers as before.

Nonetheless it is a fact that Trent Barton is now a monopoly provider on those routes. Notwithstanding the joint approach set out above there used to be competitive checks and balances even if they were beneath the surface. We are aware, for instance, that last October Trent Barton registered journeys five minutes ahead of Felix services. Felix retaliated by issuing a letter to passengers asking them to avoid the new Trent Barton services and stay loyal. Even though these additional services were only operated for nine days it demonstrated that competitive triggers and responses still existed. These have now been lost.

Much depends therefore on the motive behind an operator's actions and while we recognise that it can be difficult to determine a process that takes motive into account, we believe that this is something that will need to be considered. In the immediate term there do not appear to be any concerns - Trent Barton are running the timetable as before. The issue, then, is more perhaps their intentions for the future. The longer-term, hypothetical risk from a passenger perspective is that Trent Barton uses its dominant position to reduce service frequencies. This risk could be mitigated by providing a longer-term commitment to maintain existing service levels. While accepting that an open-ended commitment is impracticable (which operator can give such assurances in today's environment) we would ask whether a

minimum period can be agreed/specified. This is not to imply any impropriety or ulterior motives behind Trent Barton's acquisition – it is simply aimed at mitigating risk for passengers. If it is Trent Barton's intention to maintain such frequencies anyway then they will be at no disadvantage. For us, the overriding principle to be followed is one of delivering sustainable, long-term benefits to passengers.

Please do not hesitate to contact me if you need any further information or clarification on any of the points made.

Thanks.

David

David Sidebottom

Passenger Team Director

Passenger Focus

The independent passenger watchdog