

**Passenger Focus email submission to the Office of Fair Trading regarding the acquisition of First North Devon by Stagecoach Devon Limited**

**From:** Mike Hewitson  
**Sent:** 16 May 2012 13:53  
**To:** 'Jordan Ellison'  
**Cc:** David Sidebottom; David Beer  
**Subject:** RE: OFT Inquiry: Stagecoach/First - North Devon

Re: Stagecoach / First North – North Devon

Thank you for your email to David Sidebottom inviting comments from Passenger Focus on the acquisition of First North Devon by Stagecoach Devon Limited.

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

Several of the routes in question provide infrequent local services where direct competition is limited. There is also another operator (Fliers) which – albeit of a more limited nature- offers an alternative to First and Stagecoach services and would maintain a degree of competition. However, First and Stagecoach are clearly the major operators in the area and there are some routes where they do compete directly.

It would appear that this element of direct competition has led to a high level of frequency on some routes. For example, First provide around five services per hour on the Bideford-Barnstaple route (services 1 and 2) while Stagecoach provide four per hour (services 21 and 21A). It could be argued that the acquisition will result in such frequencies being reduced – but it could perhaps equally be argued that the local market cannot support up to 10 buses per hour in the first place. If the latter then the choice may ultimately be between a planned rationalisation of services via the acquisition or the complete (and potentially more harmful) withdrawal of one operator altogether. I'm afraid we do not have access to demand/revenue data to make a more informed response on this particular issue.

Consolidating services to one operator may have positive outcome in terms of ticketing. Currently, there is no reciprocal acceptance of First and Stagecoach tickets, so there are difficulties for passengers who want to use any service regardless of operator. Single operator services have no such barriers. There is also a difference between the day tickets from the two companies; a First day ticket for Barnstaple is £3.50 and for North Devon is £4.20, whilst the Stagecoach equivalent dayrider is £2.25 for Barnstaple and £3.25 for North Devon.

So perhaps one risk from the acquisition is that Stagecoach increases its fares to 'First' levels. While some rationalisation is perhaps again inevitable in order to co-ordinate ticketing, passengers would resent any significant increase. OFT may wish to consider whether this is an area where assurances can be sought.

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

**Mike Hewitson**

Passenger Focus

The independent passenger watchdog