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Our ref: CF0992-AS

Dear Andrew

### **First Great Western performance and fares**

When we met last week we discussed FGW's performance and prospects for its improvement. You said very frankly that the new timetable would not be the answer to everything and that indeed it would take a while to improve performance on the whole franchise. Since then we have had the opportunity to study more carefully the New Year fare rise announcements. Two things seem apparent to us.

First, FGW has used the flexibility provided by the fare basket provisions to a much greater extent than is normal; the result is that although you announced regulated fare increases of 4.8% the actual increases faced by some passengers are very far from that figure. I accept that your press notice referred to the fact that increases would vary, but it seems to me that the implications of raising regulated fares by such a wide range casts doubt on the very purpose of fare regulation. It does not seem to us to be reasonable for passengers to face such large increases in any event, but for individual groups of passengers to be selected for such treatment seems, to us, unjust.

Second, we have noticed that the fare increases have been applied on journeys which are triggering discounts for season ticket holders under the Passenger's Charter. In many cases the fare rises effectively cancel out the effect of the Passenger's Charter discount. I do not believe that it was ever intended that the fare basket flexibility should be used in this way and again it seems to me to be unfair for some passengers to be deprived of poor performance discounts in this way.



Performance on First Great Western's London Thames Valley routes continues to decline. The Passenger's Charter figures for the period up to 8 December show that one in three trains arrived more than five minutes late. The latest PPM figures issued by ORR for FGW show nearly three out of ten FGW peak trains arriving late. In the circumstances I think that FGW should think more carefully about the rises they have proposed particularly where they affect groups who have suffered poor performance. Please find attached examples of randomly selected ticket prices and an analysis of Charter figures that highlight our concerns.

Regulated fares are regulated because they apply to passenger groups who have little choice about travelling when they do. Passenger's Charter discounts are there to provide tangible compensation for poor performance. I do not believe that looked at in this light that you would want to argue that the way the fare increase has been made is fair or reasonable. Frankly no business with a fully competitive market could sustain them.

We also note that many weekly season tickets have risen by over 9% while longer season tickets for the same journey have risen by 4.8% – which makes longer-period seasons much better value. Our research shows, however, that many passengers cannot afford the initial outlay for longer-period season tickets and will be hit doubly hard by this level of increase. We believe this strengthens our calls for direct-debit or season ticket loan schemes to assist passengers who cannot otherwise afford these better-value fares.

I ask you therefore to take a hard look at the price increases you have announced and review them. You have begun by trying to bring about much change on FGW. I think you need to back that up by a much fairer message on fares.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Colin', is written below the text 'Yours sincerely'.

Colin



## First Great Western Season Ticket Price Revision 2007 - 2008

	Weekly Season			Monthly	Season	
	<u>Dec-07</u>	<u>Jan-08</u>	<u>% change</u>		<u>Dec-07</u>	<u>Jan-08</u>
<b><u>PLYMOUTH &amp; CORNWALL</u></b>						
Falmouth - Truro	13.2	13.8	4.55	45	47.3	5.11
Carbis Bay - Penzance	13.6	14.3	5.15	52.3	55	5.16
Menheniot - Plymouth	15.9	16.7	5.03	61.1	64.2	5.07
Hayle - Truro	20.1	21.1	4.98	77.2	80.7	4.53
Lostwithiel - St Austell	10.2	10.7	4.90	39.2	41.1	4.85
Saltash - Plymouth	8.4	8.7	3.57	32.3	33.5	3.72
Liskeard - Par	17.7	18.6	5.08	68	71.5	5.15
Bodmin Parkway - Redruth	34.5	36.2	4.93	132.5	139.1	4.98
<b><u>DEVON</u></b>						
Exmouth - Exeter	19	19	0.00	73	73	0.00
Crediton - Topsham	20.3	20.3	0.00	78	78	0.00
Dawlish - Torquay	20.9	20.9	0.00	80.3	80.3	0.00
Ivybridge - Newton Abbot	29.6	29.6	0.00	29.6	29.6	0.00
Barnstaple - Exeter	38.1	37.5	-1.57	146.4	144	-1.64
Tiverton Parkway - Exeter	21	21	0.00	80.7	80.7	0.00
Totnes - Devonport	30.7	30.7	0.00	117.9	117.9	0.00
<b><u>HIGH SPEED</u></b>						
Tiverton Parkway - Taunton	33.7	35.3	4.75	129.5	135.6	4.71
Chippenham - Didcot Parkway	58.7	64.4	9.71	225.5	247.3	9.67
Pewsey - London	112.5	123.5	9.78	432	452.8	4.81
Swindon - Reading	91.5	100.4	9.73	351.4	385.6	9.73
Bristol - London	206.9	227.1	9.76	794.5	832.6	4.80
Westbury - London	174.8	191.1	9.32	671.3	703.5	4.80
Chippenham - Bath Spa	20.1	21.1	4.98	77.2	81.1	5.05
Castle Cary - Newbury	65.6	72	9.76	252	276.5	9.72
Bath Spa - Oxford	90.3	94.6	4.76	346.8	363.3	4.76
<b><u>BRISTOL</u></b>						
Ashchurch - Bristol	50.4	52.8	4.76	193.6	202.8	4.75
Keynsham - Bristol	15.4	16.9	9.74	59.2	64.9	9.63
Chippenham - Bristol	35.7	37.4	4.76	137.1	143.7	4.81



Oldfield Park - Bristol	25.3	27.7	9.49	97.2	106.4	9.47
Frome - Bath Spa	35.2	36.9	4.83	135.2	141.7	4.81
Severn Beach - Bristol	9	9	0.00	34.6	34.6	0.00
Trowbridge - Bristol	44.4	48.7	9.68	170.5	187.1	9.74
Filton Abbeywood - Bristol	10.7	11.2	4.67	41.1	43.1	4.87
Yetminster - Yeovil Pen Mill	11.6	12.2	5.17	44.6	46.9	5.16
Yatton - Bristol	26.3	27.6	4.94	101	106	4.95
Dorchester West - Westbury	57	59.7	4.74	218.9	229.3	4.75
Avoncliff - Filton Abbeywood	44.4	48.7	9.68	170.5	187.1	9.74
Bradford-on-Avon - Westbury	17.3	18.9	9.25	66.5	72.6	9.17
Gloucester - Bristol	47.7	50	4.82	183.2	192	4.80
Patchway - Bedminster	15.8	17.3	9.49	60.7	66.5	9.56

### **SOUTH COAST - SOUTH WALES**

Salisbury - Bath Spa	64.8	71.1	9.72	248.9	273.1	9.72
Romsey - Westbury	67.2	73.7	9.67	258.1	283.1	9.69

### **LONDON THAMES VALLEY**

Hungerford - London	89.6	93.9	4.80	344.1	360.6	4.80
Newbury - London	85.5	89.6	4.80	328.4	344.1	4.78
Goring & Streatley - London	79.4	83.2	4.79	304.9	319.5	4.79
West Drayton - London	32	33.8	5.62	122.9	129.8	5.61
Slough - London	49.2	54	9.76	189	207.4	9.74
Oxford - London	92.8	97.3	4.85	356.4	373.7	4.85
North Camp - Reading	33	36.2	9.70	126.8	139.1	9.70
Greenford - Acton Main Line	11.6	12.2	5.17	44.6	46.9	5.16
Southall - London	22.2	23.4	5.41	85.3	89.9	5.39
Ealing Broadway - London	16.2	17.6	8.64	62.3	67.6	8.51
Maidenhead - London	58	63.6	9.66	222.8	244.3	9.65
Twyford - London	68	74.6	9.71	261.2	286.5	9.69
Heyford - Reading	61.3	67.3	9.79	235.4	258.5	9.81
Pangbourne - Gatwick Airport	84.1	92.3	9.75	323	354.5	9.75
Cholsey - Hayes & Harlington	67.4	74	9.79	258.9	284.2	9.77
Reading - Ealing Broadway	66.2	72.6	9.67	254.3	278.8	9.63
Oxford - Maidenhead	56.7	62.2	9.70	217.8	238.9	9.69
Henley on Thames - London	71.2	78.1	9.69	273.5	300	9.69
Bourne End - London	63.7	69.9	9.73	244.7	268.5	9.73
Windsor & Eton Ctl - London	53.8	59	9.67	206.6	226.6	9.68
Slough - Ealing Broadway	37.5	41.1	9.60	144	157.9	9.65
Marlow - Slough	22.3	24.4	9.42	85.7	93.7	9.33
Marlow - Reading	32.5	35.6	9.54	124.8	136.8	9.62



Maidenhead - Reading	22.2	24.3	9.46	85.3	93.4	9.50
Crowthorne - Wokingham	10.5	11.5	9.52	40.4	44.4	9.90
Cookham - Slough	16	17.5	9.38	61.5	67.2	9.27
Bedwyn - Newbury Racecourse	21.6	23.7	9.72	83	91.1	9.76
Maidenhead - Oxford	56.7	62.2	9.70	217.8	238.9	9.69
Moreton-in-Marsh - Oxford	44.1	46.2	4.76	169.4	177.5	4.78
Evesham - Worcester	27.5	28.8	4.73	105.6	110.6	4.73
Stroud - Gloucester	20.7	21.7	4.83	79.5	83.4	4.91
Didcot Parkway - London	92.8	97.3	4.85	356.4	373.7	4.85
Bicester Town - Oxford	15	15	0.00	57.6	57.6	0.00
Islip - London	94	98.5	4.79	361	378.3	4.79
Reading - London	79.4	83.2	4.79	304.9	319.5	4.79

**Sources:** National Fares Manuals; National Rail Enquiries website - Season Ticket Calculator

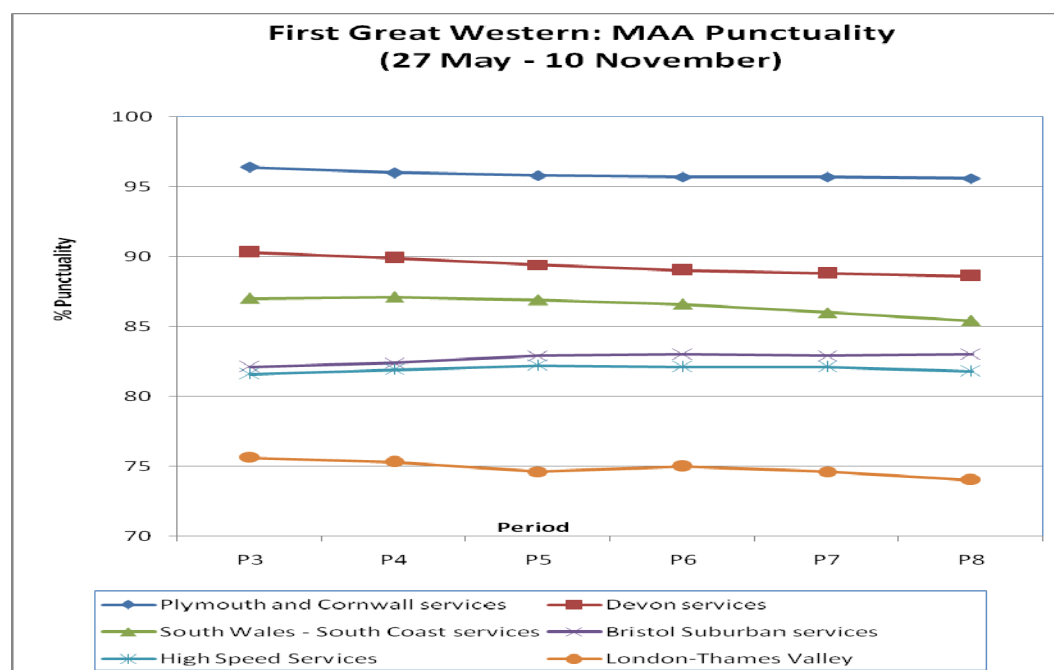


## First Great Western Passenger Charter performance results

Punctuality Moving Annual Average: Periods 03-08 2007 (27 May- 10 November)

% punctuality

Service group	P3	P4	P5	P6	P7	P8
Plymouth and Cornwall services	96.4	96	95.8	95.7	95.7	95.6
Devon services	90.3	89.9	89.4	89.02	88.8	88.6
South Wales - South Coast services	87	87.1	86.9	86.6	86	85.4
Bristol Suburban services	82.1	82.4	82.9	83	82.9	83
High Speed Services	81.6	81.9	82.2	82.1	82.1	81.8
London-Thames Valley	75.6	75.3	74.6	75	74.6	74



Compensation 'trigger' for High Speed group is 88%. For all the other groups it is 89%

As of Period 8 all service groups *except* the Plymouth and Cornwall group are triggering compensation for season ticket holders in accordance with FGW's Passenger Charter.

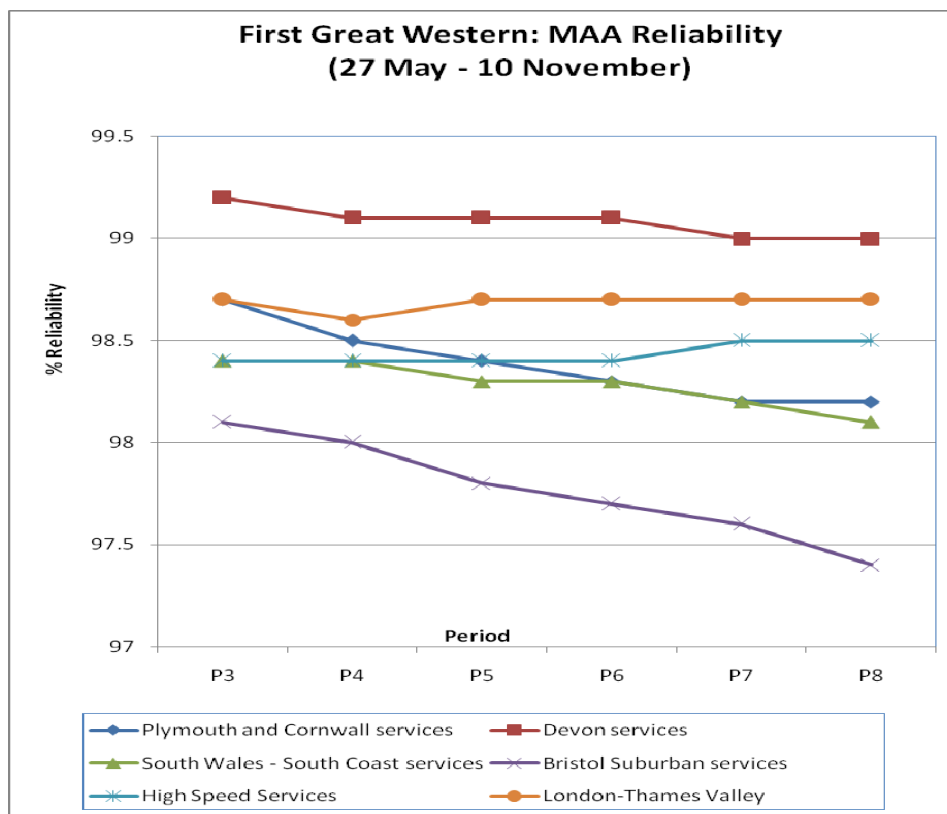


## First Great Western Passenger Charter performance results

Reliability Moving Annual Average: Periods 03-08 2007 (27 May- 10 November)

% punctuality

Service group	P3	P4	P5	P6	P7	P8
Devon services	99.2	99.1	99.1	99.1	99	99
London-Thames Valley	98.7	98.6	98.7	98.7	98.7	98.7
High Speed Services	98.4	98.4	98.4	98.4	98.5	98.5
Plymouth and Cornwall services	98.7	98.5	98.4	98.3	98.2	98.2
South Wales - South Coast services	98.4	98.4	98.3	98.3	98.2	98.1
Bristol Suburban services	98.1	98	97.8	97.7	97.6	97.4



Compensation 'trigger' for the High Speed group is 98.2%, 98% for Thames Valley and 98.5% for the other service groups.

Bristol, Plymouth and South Wales-South Coast service groups are triggering compensation for season ticket holders in accordance with FGW's Passenger Charter.

