

Mr Steve Gooding
Director General Domestic Transport
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

3rd Floor, Fleetbank House
2-6 Salisbury Square, London, EC4Y 8JX
w www.passengerfocus.org.uk
t 0300 123 0860 f
e info@passengerfocus.org.uk
direct 0300 123 0852
e anthony.smith@passengerfocus.org.uk

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Dear Steve

Passengers and rail franchise replacement

We read the interim 'Laidlaw' report with great interest and have fed some initial thoughts into the wider policy review led by Richard Brown and will follow up with a wider submission setting out what we see as the key issues from a passenger perspective.

However, what I wanted to raise directly with you was the immediate future, specifically the granting of an extension for the current West Coast franchise (but which may potentially apply to other franchises as well). Passengers were promised a great many improvements with the advent of the new West Coast new franchise, with many of these coming on-stream immediately. Clearly circumstances have prevented the longer-term benefits accruing but we think it important that short-term extensions still seek out some enhancements for passengers. It is important that passengers do not suffer as a result of the pause in the franchising programme – at present all they see are the promises made being put on hold.

We understand that extensions to franchises will be commercial negotiations and that the short duration of these leaves little time for implementation but we believe there are still things that can be delivered cheaply and quickly that will have benefits for passengers. For example, in the context of the West Coast extension, there are a number of proposals that we think could/should be included:

Transparency

Punctuality (PPM) figures are only produced for the train company as a whole and are not broken down by line of route. This means that performance on a problematic route may be masked by better performance elsewhere.

Giving rail passengers access to performance figures relevant to their services will help them to hold the train company to account and to ask what is being done to improve services in return for the fares they pay. Good management should not feel threatened by this. Indeed the availability of accurate data may actually help them – a particularly bad journey can linger in the



memory and distort passengers' perceptions. Accurate, relevant data can help challenge these negative perceptions and focus management attention on areas that need improving.

Hence, at the very least, we believe there is a case for providing performance data at a disaggregated route level in the extended franchise.

There is also scope for greater transparency surrounding capacity/crowding. ORR has conducted research looking at the impact of publishing more information on train seat availability which found that passengers not only wanted more information but also acted upon it when planning their journeys. While the demand management profile for Advance fares does this to some extent on West Coast there is merit in exploring how the lessons from the research can be applied.

Performance monitoring

On a similar vein we think it important that train companies/the industry publishes right-time performance data (i.e. actual number of trains arriving at the scheduled time rather than within the current five or 10 minute allowances).

Our research shows that punctuality is the main driver of overall passenger satisfaction. In order to better understand the relationship we took a more in depth look at the correlation between satisfaction with punctuality and actual performance. The detailed results can be found in our individual franchise submissions but we found a clear picture of:

- Average lateness experienced by passengers being worse than that recorded for train services. This is because of the effect of cancellations and because many trains that are on time at their destination are late at intermediate stations. As PPM measures performance at the final station it is possible for passengers en-route to be late arriving at their station only for the 'empty' train to arrive on time – in other words the train is on time despite most of the passengers being late.
- Passenger satisfaction with punctuality reduces by between two and three percentage points with every minute of delay.
- Passengers' notice delay well before the technical threshold of delay. Commuters notice lateness after one minute rather than the five minutes allowed; while business and leisure users tend to change their level of satisfaction with punctuality after a delay of four to six minutes.

This shows that passengers do not view a train arriving up to 10 minutes after its scheduled time as being on-time. As punctuality is the main driver of overall passenger satisfaction it follows that greater adherence to a 'right-time' railway could help drive up overall satisfaction.

As a result we would like to see within the renegotiation:

- A requirement to report the percentage of trains arriving at key intermediate stations.
- A commitment to move towards a 'right-time' railway - possibly involving the reduction of the current 10 minutes allowance and/or publication of right-time performance.



Capacity

The early introduction of the full set of the 106 additional Pendolino carriages previously announced.

Making buying a ticket easier

Passenger Focus's research has identified a number of issues with both ticket vending machines (TVMs) and websites – much of which was reflected in Government's own Fares and Ticketing Review consultation earlier this year. While the one-year extension clearly does not provide a long enough period to fix all these problems it is important that momentum is not lost on such issues as:

- Printing any restrictions on passengers' tickets to remove confusion over validity
- Displaying outward and return ticket restrictions on TVMs prior to a passenger committing to purchase
- Making it impossible to buy an Advance ticket on the internet at a higher price than the 'walk up' fare available on the same train

Ticketless travel

Passenger Focus believes ticketless travel is an important issue and one that needs addressing. Passengers who avoid paying for their ticket are in effect being subsidised by the vast majority of fare-paying passengers. However, the revenue protection strategy must provide safeguards for those who make an innocent mistake and whose intention was never to defraud the system. We believe this requires:

- Clear consistent guidelines explaining when staff should show discretion in the enforcement of penalties. For example when passengers do not have their railcard with them
- Commitment not to go straight to any form of criminal prosecution unless they suspect (or have proof) that there was intent to defraud.
- Penalties that are proportionate to the actual loss suffered by the operator.

The industry is currently developing a code of practice for passengers who board without a valid ticket, it will be essential that any renegotiation allows for – indeed, encourages – the early adoption of this.

Passenger Satisfaction

One of the features of recent franchise discussions surrounded the greater use of passenger satisfaction targets within the franchise – something we supported. The ultimate measure of whether a train company is performing well is whether passengers are happy with the quality of service provided. This is good from a commercial perspective as well as a customer service one – as evidenced by DfT's own work on passenger demand forecasting which shows that service quality does have an impact on levels of demand.



We would urge that extensions to franchises do not lose sight of the need to maintain (if not improve) levels of passenger satisfaction.

We would reiterate that these improvements need not carry a big price tag – and several are already ‘in development’. Our main aim is to ensure that passenger benefits are not lost in any pause in the franchise programme.

We would, of course, be happy to discuss these issues in more detail.

Yours sincerely

A. J. C.

Anthony Smith
Chief Executive