

## Memorandum to the Transport Committee

# ***Ticketing on Public Transport***

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### **Introduction**

1.1. Passenger Focus<sup>1</sup>, the independent national rail consumer watchdog, welcomes the opportunity to respond to the Committee's investigation into aspects of ticketing, many of which have long been a source of concern to Passenger Focus and its predecessor organisations. Given our remit, we have largely restricted our response to rail matters, though this has been exceeded in certain cases of readily available through ticketing between rail and other modes.

1.2. Responses to many questions have been amalgamated with others where there is cross-over between question themes and/or responses and to avoid repetition.

### **Integrated ticketing**

**Q1: Is ticketing sufficiently integrated across different modes of transport and between different geographical areas?**

**Q2: Does the Government have an adequate strategy for developing the integration of ticketing systems?**

2.1. Several types of integrated ticketing already apply:

- "Travelcard" and similar schemes where an unlimited number of journeys by all modes covered by the scheme within a certain area or zone(s);
- interavailable and through ticketing, as stipulated in franchise agreements and required of open-access operators, between any two rail stations by any number of train operators on 'permitted routes';
- PlusBus – add-on to rail tickets allowing a day's unlimited bus travel at origin or destination;
- through ticketing involving other operators; e.g. for the sea element to the Isle of Wight; where the through fare, however, undercuts each individual element if purchased independently.

2.2. These schemes illustrate that such integration is possible. However, "travelcard"-type deals are usually available only in metropolitan areas and are usually negotiated by or purchased by the local authority rather than an initiative of the transport undertakings involved. They are usually subsidised by the local authorities and a cliff-face fares increase can occur at the boundary stations of such schemes<sup>2</sup>, even where two Passenger Transport Executive (PTE) areas abut.

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<sup>1</sup> Passenger Focus is the operating name of the Rail Passengers Council.

<sup>2</sup> Compare, for instance, the cost of travel to a city centre from the first station inside a PTE boundary area, with the fare from the first station beyond it. For instance, Horsforth to Leeds (5¼ miles), wholly within the West Yorkshire PTE area, costs £9.60 weekly. From Weeton (the adjacent station but outside the PTE area) to Leeds, 11¼ miles, the weekly ticket costs £21.10; the weekly between Weeton and Horsforth (6 miles) is £17.30; Marsden to Huddersfield (£10.70 for 7 miles) versus Greenfield (adjacent station but outside the West Yorkshire PTE boundary, but the first station within the Greater Manchester PTE area) to Huddersfield, 13 miles, costs £38. The weekly fare from Greenfield (first station within the Greater Manchester PTE area) to Manchester central zone (12¾ miles) costs £20.30, whereas the weekly from Marsden (the last station in the West Yorkshire PTE but the other side of the boundary), 19 miles, costs at least £33.30, depending on route. While integrated fares and ticketing apply within PTE areas, it is absent between them.

2.3. The provision of products such as multi-modal and/or multi-operator travelcards<sup>3</sup>, however, is dependent upon block exemptions to avoid infringement of competition law.

2.4. As a result, large areas of the country – even where rail or bus, or choice of bus companies, are viable options for some journeys - are without such a scheme. Many passengers may thus have to pay considerably more to enjoy the flexibility which urban users take for granted. In any case, co-operation between operators may well be deemed anti-competitive collusion. Despite a clear passenger benefit in being able to use the same ticket on the service of any operator or mode, according to choice and convenience, especially on the homeward leg of return tickets or if one mode is disrupted or delayed, such activity is interpreted as anti-competitive and against the public interest.

2.5. PlusBus, despite more imaginative marketing of late, is still relatively unknown to passengers and even to some members of staff. A much more aggressive campaign is required to popularise the scheme. We welcome stations' improved and expanded displays of connecting bus and/or tram information and signage to the stops and trust that this will be built upon to further publicise the service.

2.6. Many rail and bus interchanges are poor or non-existent, and many rail stations are poorly served by bus services. Passenger Focus has made recommendations to improve this situation in its 2005 report<sup>4</sup> aimed at offering practical advice on deliverable rail strategies to those local transport authorities then in the process of preparing their second local transport plans, supplementing the Department for Transport's guidance but emphasising the rail element.

2.7. Integrated ticketing requires integrated planning and transport provision to enable passengers to plan and execute a seamless journey. We welcome the fact that though tickets can be booked from rail stations to destinations such as on the Nexus metro system<sup>5</sup>, yet connecting train information is not available through the National Rail Enquiries website; nor does the website offer PlusBus options, as this add-on has to be specifically sought out by those in the know. Transport Direct<sup>6</sup> is a step in the right direction, but the system is still far from reliable. Integrated information and purpose-built interchanges are crucial to popularise intermodal travel. The Government needs to play a role in joining services up.

2.8. While with PlusBus, the add-on cost is available at the time of purchase and previous enquiry, it is difficult to discover bus fares for one-off journeys in much of the country through existing media – it can prove awkward to discover which company operates which route, especially in an area with which the enquirer is unfamiliar. The disparate fare levels, doubtless reflecting presence or absence of local subsidy, further add to confusion and further impede inter-modal ticketing outside the metropoli.

2.9. The size of the United Kingdom militates against the likelihood of the introduction of a zonal-based national ticketing structure such as in the Netherlands. There 'strip tickets'<sup>7</sup> in

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<sup>3</sup> The range of names for such tickets, which largely fulfil the same function, is in itself a source for confusion: e.g. *Travelcard* in London; *MetroCard* in West Yorkshire; *Travelmaster* in South Yorkshire; *Network Travelticket* in Tyne and Wear; *Trio* in Merseyside; *System One* in Manchester; *Zone Card* in Strathclyde etc.

<sup>4</sup> *Strategy to Reality – using local transport plans to deliver on rail*, Rail Passengers Council (February 2005)

<sup>5</sup> Formerly Tyne & Wear Metro – light rail services, largely on erstwhile British Rail trackbeds, on Tyneside and Wearside operated by the Passenger Transport Executive.

<sup>6</sup> Transport Direct is a nationwide web-based route planning service for rail, coach, air (within Scotland only) and car journeys.

<sup>7</sup> The *Strippenkaart* is a pre-paid ticket for any journey wholly within the Netherlands whereby passengers deduct from their ticket the relevant number of zones through which they intend to travel when they start the first leg of the journey, which can be made by any transport mode in any combination within the zones. In the absence of overall validity limit on the remaining unused stripe the remaining units can be used at any time to suit the passenger.

various denominations can be purchased for travel anywhere by any mode: national rail, urban bus or tram, local train or metro. The absence of a common fare structure (not only on rail but also on other modes) in Great Britain makes such a scheme virtually impossible to implement at an attractive fare. The Swiss transport system is generally held to be the most integrated: through fares and ticketing and easy-to-find information across all modes: long-distance, local and regional rail; trams; local and longer-distance buses; boats; cable-cars and funiculars – with virtually all transport undertakings willing to participate in the scheme.

2.10. At present, government's strategy towards integrated ticketing is not immediately apparent, save for the move toward smartcard technology in London and the South East. There appears to be no drive towards the creation of additional PTE-type arrangements.

2.11. Until such time as all the relevant journey validity details can be contained on the ticket<sup>8</sup>, in its various likely formats, there is no real hope of fully integrated ticketing. No amount of through fares/ticketing will succeed without adequate publicity of what is on offer. As TOCs still fail to fully promote their wares to best advantage, a huge change in approach is needed.

2.12. Payment by all common methods needs to be available: no buses accept credit cards, despite the often high fares for longer journeys. No buses can issue the outward PlusBus deals, which have to be booked at stations or on-train.

### ***The use of Smartcard technologies***

#### ***Q3: Is the industry taking up smartcard technologies adequately and appropriately?***

3.1. This strategy is barely in its infancy. We welcome the extension of the benefits of smartcard technology to National Rail passengers in the South East, but we regret that Oyster readers were not installed at National Rail stations in greater London to coincide with deployment by London Underground.

3.2. Stored value cards are best suited for payment for urban short-distance "low-value" journeys; their applicability for longer journeys is open to some question, though we welcome the decision to extend the scheme to South west trains. Credit/debit cards (as Barclays are doing with Oyster) can add a separate travel chip. Subscribers to the scheme provider can benefit from this additional travel feature without the need for an additional card. We have some concerns that the level of fares for long-distance travel by National Rail will far exceed the level which passengers are willing to load up in advance. In London, zonal fare costs can be checked in advance and in any case are only a few pounds; is it probable that passengers would be willing to load the level of credit necessary to finance a journey such as London to Derby, where the fare is unknown? Such journeys can surely never be captured by touching-in and out.

3.3. If the franchising process is expected to deliver smartcard technology across the National Rail network it could take decades to achieve nationwide coverage.

3.4. Beyond smartcard, other media may well take the place of traditional paper-based tickets. Ticketing by SMS message is already a reality and more sophisticated use of this medium is in course of trial. We welcome the harnessing of technology to simplify travel arrangements for passengers who are comfortable and conversant with such methods – and provided that passengers without access to the required gadgetry are not disadvantaged.

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<sup>8</sup> By 'ticket' we mean not only traditional electronic-strip card tickets, but Smartcards, mobile telephone ticketing, print-at-home tickets with bar codes etc.

***Q4: Does the ITSO system cater for the needs of all passengers and travel providers?***

***Q5: What can be learned from the experiences of areas such as London and Scotland where smartcard technology is already in place?***

3.5. ITSO is not in itself a ticket-recognition system, but is rather the philosophy underlying inter-operability and prepayment. Few such systems are yet in operation. The most vital element is to ensure that when operators install systems, where these are not uniform, that they are mutually compatible. Open-access operators need also to be brought into the fold to ensure that interavailable and through ticketing is not jeopardised.

3.6. Concern has been expressed that Oyster is a monopoly supplier. While many Oyster cards have been issued (each with a confection charge of several pounds), many of them are used only occasionally. The present policy of increasing cash fares well in excess of prepaid fares will ensure a long-term future for smartcard technology though this might equally well be borne by travel chips in credit cards or mobile phone messages inter alia.

3.7. Although there have been losers as a result of the zoning of National Rail fares in London, this is a vital precursor to smartcard ticketing availability for journeys on both rail system and London Underground.

3.8. Despite enquiries, we have been unable to establish the existence of any smartcard schemes in Scotland applying to rail services.

### ***Revenue protection and the powers of ticket inspectors***

***Q6: Is the legal framework within which the ticket inspectors function appropriate?***

***Q7: What appeal mechanisms exist for passengers and are they adequate?***

***Q8: Are the rights of passengers and the powers of ticket inspectors well-balanced?***

***Q9: Do operators of public transport take adequate measure to protect fares revenue?***

4.1. Passenger Focus and its predecessor organisations have long called for measures to ensure that all monies due as fare revenue are collected and have welcomed in principle the various Penalty fares schemes to that end to protect the interests of fare-payers. We are particularly anxious, however, at the variance between schemes, particularly at stations where two or more companies' trains call.

4.2. Absence of consistency is a major concern. It is intolerable that on some trains on-train staff will sell fares at booking-office prices whereas on other days the full rigour of the Penalty Fare provisions will be brought down on the same individuals. We remain vigilant to the length of ticket-office queues as a reason for passengers failing to buy tickets before boarding. There is increasing evidence that insufficient leniency is accorded in cases of queue length exceeding maximum queueing times. We expect passengers to allow a reasonable time<sup>9</sup> to obtain a ticket; after that time, we believe that the industry has failed to provide the necessary facilities and that penalty fares should be suspended until such time as ticket issue can conform to the prescribed timescales.

4.3. Adequate publicity of the existence of penalty fares at specific stations and on specific routes is vital (and is a requirement of each penalty fare scheme) and robust safeguards must be in place to avoid innocent passengers who have inadvertently infringed the rules being issued with a penalty fare notice. Revenue protection inspectors have discretion as to whether to issue

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<sup>9</sup> The *Ticketing and Settlement Agreement*, operated by ATOC Rail Settlement Plan, to which all operators are party, states that passengers should be served within 5 minutes at peak times and three minutes at other times. We concur that these limits are reasonable and that they should be adhered to.

a Penalty fare, in addition to the appeals mechanism. The appeal mechanisms are, in our view, clear, though they are arguably not well publicised. Our principal areas of concern regarding Penalty fares remain: (a) ticket office queueing times preventing passengers from pre-purchasing a ticket without missing the train; (b) inconsistency of approach – as mentioned above; and (c) the perceived impartiality of the system. We have concerns over the perceived fairness of the appeals system where the industry (its appointed penalty fares inspectors and, of greater worry, the appeals processing staff) are judge and jury in the same case. Even as statutory passenger representatives we have no right to challenge upheld appeals - except to investigate whether they were conducted in accordance with the (unpublished) guidelines and (publicised) penalty fares procedures.

4.4. The provisions of the Bye-laws and National Rail Conditions of Carriage, which ultimately set out the rights and duties of both passengers and carriers, are almost wholly unknown to most passengers. Despite major improvements in the Conditions as a result of revisions in recent years, there is still much to do to enhance passenger benefits.

4.5. It is clearly evident that too frequently rail operators do not protect farebox revenue sufficiently robustly – for instance, through failure to police ticketless travel on board trains and at stations. Another failing is the frequent absence of facilities for those passengers who intend to pay but can find no means of doing so because either the station is unstaffed or because on-train staff fail to sell them a ticket. In either case, valuable income is lost which results in higher fares overall for those who do pay.

4.6. There is an urgent and growing need for wider implementation of automatic ticket gates at stations with the highest footfall; it is equally vital to ensure that such gates are staffed while ever trains are running. Greater vigilance is also required to reduce the number of passengers travelling on reduced-rate tickets to which they have no right: e.g. adults using Child fares.

4.7. Too often the gates are left unattended and open after mid-evening, with the result that late-night trains carry a disproportionate number of non-paying passengers, who can usually travel safe in the knowledge that the likelihood of being challenged for a valid ticket are extremely remote. As entry gates permit holders of all valid tickets to pass through, there is a need for on-train ticket examination to prevent over-riding and also, ultimately, for gates at lesser-used stations to ensure that passengers pay the correct fare for their journey. A ticket to the next station will work the entry gates perfectly adequately; a fraudulent passenger getting off at an ungated destination ten or more stations down the line need only pay the fare to the next station to access the system.

4.8. It is virtually impossible for staff to check tickets accurately at non-automated ticket barriers at busy times under normal circumstances.

4.9. “Blitzing” ungated stations with ticket inspectors and, where necessary, the British Transport Police, is necessary to prevent as far as possible, fraudulent travel to and from such locations. Such action is also beneficial at major interchange points and at terminals, especially those without automatic gates.

4.10. On-train inspection is important on longer-distance routes to ensure that passengers have a valid ticket for the entire journey – not merely a short section at either end; in any case, regular and frequent appearance of on-train staff provides an enhanced level of customer service beyond revenue protection duties: enhanced sense of personal security; a deterrent against vandalism; and assistance for those passengers in need, which in themselves may persuade more passengers to make further rail journeys and increase farebox revenue.

4.11. Interim details of research<sup>10</sup> undertaken by Passenger Focus late in 2006 show an unacceptably high level of uncollected fares on one set of rural/semi-urban routes from unstaffed stations. Passengers were unable to pay their fare in advance and also unable to pay aboard the train due to non-appearance of on-train staff. Either this means that the railway is losing revenue or the passenger is inconvenienced by having to queue at his destination to pay the fare<sup>11</sup>. In our survey researchers alighted at unstaffed stations so that revenue was lost.

**Concessionary fares – the right strategy?**

**Q10: Is the government’s concessionary fares strategy, including the proposed scheme for concessionary bus travel, adequate?**

**Q11: Are concessionary fare schemes sufficiently integrated across different modes of transport and different geographical areas?**

5.1. We welcome the regulation of the Senior, Disabled Persons and Young Persons Railcard. We would urge other operators to emulate Virgin’s more relaxed policy on the use of Railcard-reduced fares at peak times for leisure journeys.

5.2. We are disappointed that full-time pupils aged 16 to 18 in secondary education are still expected to pay full adult fares when travelling between their home and place of education, save for some instances where local authorities intervene with reduced-rate travel schemes.

5.3. The question of concessionary bus fares falls outwith our remit and we therefore make no comment with the exception of those cases where no practicable bus service is provided (e.g. central Wales or the far north of Scotland) but where rail services do operate. We understand both the distress of those holders of unusable travel concessions and train companies who operate non-remunerative services in such areas and trust that local authorities can resolve such anomalies.

5.4. Recent correspondence<sup>12</sup> in the trade press suggests that it would prove a negligible cost to extend free local rail travel to Community Rail projects (e.g. £32,000 on the Tamar Valley line in Cornwall). Long-distance free travel would have a major cost implication (perhaps £250 million per annum) and as such is unlikely to be entertained.

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<sup>10</sup> The research, due for publication mid to late March 2007, covers purchase facilities for tickets at stations (booking offices/ticket machines), telesales, websites and aboard trains. Details can be forwarded to the Transport Committee upon publication.

<sup>11</sup> Not only does this unduly and unnecessarily delay passengers, it can contribute to them missing connections. This is intolerable – more so onward where services are infrequent.

<sup>12</sup> *Local Transport Today*, issue 462 (15 to 28 February 2007).

