Minutes

transportfocus

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Transport Focus Special Board meeting	
Date:	**6 July 2017**
Location	**Fleetbank House, London, EC4Y 8JX**

Attended

Board members:

Stephen Locke	SL	Acting Chair
Marian Lauder MBE	ML	Board member
Theo de Pencier	TP	Board member
Isabel Liu	IL	Board member
Philip Mendelsohn	PM	Board member for Scotland

Executive in attendance:

Anthony Smith	AS	Chief Executive
Kate O'Reilly	KR	Contact Team Manager
Michelle Calvert	MCa	Business Services Executive
Jon Carter	JC	Head of Business Services
Mike Hewitson	MH	Head of policy

Guest Speakers:

Phil Whittingham	PW	Managing Director, Virgin Trains West Coast
Richard Scott	RS	Head of Communications, Virgin Trains West Coast

Members of the public:

Approximately 10 members of the public attended the meeting.

1.0 Chair's introduction

SL opened the meeting, explained its purpose, and welcomed members of the public.

2.0 Presentation

PW stated that Virgin Trains had been in business for 30 years, and throughout that time acted as a champion for the industry and for customers. Recently, some large one-off incidents, such as fire at Euston Station, Storm Doris and the incident at Rugby, had caused problems. These incidents had impacted Virgin Trains' response times and Virgin Trains had decided to hire 25 permanent staff members to deal with increasing demand,

and was making other improvements in the area of customer relations. PW acknowledged that Virgin Trains did not always get it right, but stated it would try to do better.

3.0 Questions and Discussion

TP asked why Virgin had changed its position on goodwill during summer 2016. PW replied that Virgin tried to put customers first, but there was a 'balancing act' involved, and Virgin had aimed to improve consistency. Sometimes, it was difficult to ensure that the right balance was struck, which was the reason for the escalation process.

TP commented that around the time of this policy change, Transport Focus had noticed an escalation in appeals related to Virgin Trains; it appeared that the two were connected. He asked whether fraud was a significant revenue issue for Virgin. PW replied that it was more about fairness to all customers; when issues like railcards were brought to its attention, Virgin amended its position to make it fairer. TP asked whether Virgin felt this change had made the situation fairer. PW replied that it made the situation more consistent, and customers had the opportunity to appeal, either to Virgin or to Transport Focus.

TP asked whether PW was concerned that the change would erode Virgin's brand image. PW replied that Virgin's internal reporting indicated that brand image was still strong. Virgin's frontline staff had to be borne in mind. Virgin was aiming for consistency, and was aware that the number of incidents in which staff were threatened or injured on-board was increasing.

TP asked how consistency was applied when circumstances were different. PW replied that Virgin allowed discretion; train managers had discretion to act 'in the moment'.

SL asked whether Virgin staff had been instructed to bear in mind that some customers were particularly vulnerable, or did not understand that they might be. PW replied that not everyone was honest; there were always people who would attempt fraud. SL asked whether Virgin was more inclined to distrust than trust its customers. PW replied that it was not, but had to take this possibility into account.

TC asked whether frontline staff were empowered to make judgments. PW confirmed that they were.

TP asked whether Virgin had felt that it had a problem prior to the 2016 policy change. PW confirmed this. He could provide figures to show that workplace injuries had been occurring more regularly, and Virgin had decided that it would help to have more consistency around the policy.

ML stated that Virgin was "standing alone" in the lack of discretion it applied to formal complaints; she asked how this could be justified. PW replied that he did not feel that

Virgin was out of line with industry norms in the amount of discretion it applied. When the issue of railcards had been raised by Transport Focus, Virgin had acknowledged it had gone too far and had changed the policy. SL noted that Virgin was top of the complaints table as of 3 July. PW replied that he was happy to deal with cases personally when they were raised with him by Transport Focus.

PM stated that when he had claimed for a journey that had been two hours late, he had only received a cheque for an 'over one hour' delay, it had taken him a lot of work to find out that the reason was that his journey had been only one hour and 53 minutes late. This information should have been given up-front. He added that he had seen reservation tickets that did not show the train, the coach, or the seat number. PW replied that Virgin was trying to make booking tickets easier; he did not know why a seat reservation would not be on the ticket, and would look into this.

PM added that there had been problems with discretion not being shown where, for instance, an elderly couple travelled with two tickets but only one seat reservation. PW stated that Virgin would change policy in response to this feedback.

IL stated that she was concerned about the issue of resources. Complaints were now being handled by a greater number of individuals, which led to less consistency in responses and the process taking much longer, to the point where Virgin was not meeting the regulated requirement of providing a response to 95 per cent of complaints within 20 working days. There was also a problem with the quality. The number of complaints that came back to Transport Focus had doubled. She asked whether Virgin had increased or decreased resources. PW replied that he would find this out, but he was "almost sure" that the number had increased.

IL asked what Virgin was doing in relation to resource mobilisation. PW reiterated that 25 new hires had been approved a few weeks ago, and the people who would be taking up these posts should be identified by the end of the month.

SL encouraged Virgin to send questionnaires to people who complained, to assess their satisfaction with the response they received, and to investigate the possibility of mystery shopping. RS stated that Virgin would look into this.

SL asked what detailed assessment Virgin had carried out of the ORR complaint handling guidance and core principles. RS stated that there had been significant change in Virgin's processes. Temps were being moved onto permanent contracts, a recruitment event had taken place, a live chat system had been introduced, and Virgin's single vision of the customer should come in in September. Virgin recognised that it had had failings in the past, but it had a plan to fix them, and its goal was to exceed the SLA, not just meet it. A key part of this would be ensuring that responses to complaints accurately answered the complaint, rather than "paying people off". RS hoped that Virgin could use the summer, when performance tended to be better, to address the downturn in performance that

usually occurred in autumn and winter; he hoped staff would be in place and trained by around October. There was a programme of soft skills training coming in so people would be more empathetic.

SL asked what assessment Virgin had made of the Consumer Rights Act 2015, which expanded the scope of potential complaints significantly. RS replied that Virgin would deal with individual cases as they came up. Virgin was ready for the Act, and aware of the roles and responsibilities involved. PW added that this was why Virgin had been proactive in recruiting more people. SL noted that the Consumer Rights Act introduced the concept of the 'balance of probability', and Virgin would need to engage with a degree of flexibility when handling complaints.

AS asked whether Virgin supported the introduction of a Rail Passenger Ombudsman. PW confirmed that Virgin was supportive of an ombudsman scheme in principle, and happy to contribute to it. SL noted that the criteria included not constraining the ombudsman's ability to consider evidence or circumstances, which might affect Virgin's consistency rules. PW replied that Virgin was not trying to apply consistency rules, but to put the customer first and apply fairness.

TP asked whether Virgin's change of policy had occurred because it believed it had been too lax or generous in the past. PW replied that Virgin's intention was to treat customers fairly and appropriately; it wanted customers to pay the right fare for their journey and receive the right compensation when appropriate.

TP commented that the actions that Virgin had taken indicated that the complaints handling procedure had been inadequate in the past. RS replied that Virgin had not previously realised all of the systemic problems within customer relations that were now apparent; when they became obvious, however, Virgin fixed them. He added that Virgin was consistently rated the highest of the long-distance carriers; for the majority of customers, it did the right thing, but RS acknowledged that Virgin got it wrong sometimes.

PM noted that Virgin's position appeared to have changed significantly from the position taken in the letter that PW had sent to AS, and asked what had led to these changes. RS stated that best practice was to ensure frontline staff made the right decisions, but if they got it wrong, the complaints handling process would reverse the decision. There was a frontline hotline that staff could call, which should encourage consistency. RS added that the letter that had been sent to AS could have been worded better and might have been misinterpreted.

AS asked whether feedback was given to individual staff regarding the decisions they had made. RS stated that in most cases, members of staff would be spoken to regarding their recollection of incidents, and if Virgin overturned the decision, this feedback would be given through the proper channels.

SL stated that a degree of flexibility had to be applied. A passenger might be coming home from a funeral or might have a serious illness. PW stated that in these cases, discretion was given to the train manager. RS added that Virgin did not want to create a situation whereby the frontline member of staff made the correct decision, but the customer complained and received £100 as a gesture of goodwill. He added that he would be happy to meet with the Board, as their comments were helpful.

IL asked how Virgin tried to make proactive efforts to address complaints before they occurred, such as with incidents like Euston and Rugby. RS stated that if customers booked through Virgin, Virgin had their details and could proactively contact them. However, if the customer booked through another company, such as Trainline, Virgin had to rely on this other company. RS added that the industry as a whole recognised that it should do better in this area, such as by updating information sources quicker to take account of disruption.

PM stated that Virgin should try to encourage customers to claim for repayment more often. RS stated that there had to be a balance struck between customer service and the risk of fraud; the best method was for train managers to encourage customers to go to the Virgin website and submit a form.

SL summarised that the Board had initially been quite worried by PW's letter, but what they had heard was at least partially reassuring. RS had talked about changes that were being introduced, and if these worked, they would go some way towards addressing the issue. He encouraged PW and RS to look further into the implications of the Consumer Rights Act, the ORR complaint handling guidance, and methods of satisfaction measurement and mystery shopping. Transport Focus would continue to monitor performance. He thanked PW and RS for their attendance and contribution.

Signed as a true and accurate record of the meeting:

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Stephen Locke
Acting Chair, Transport Focus

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Date