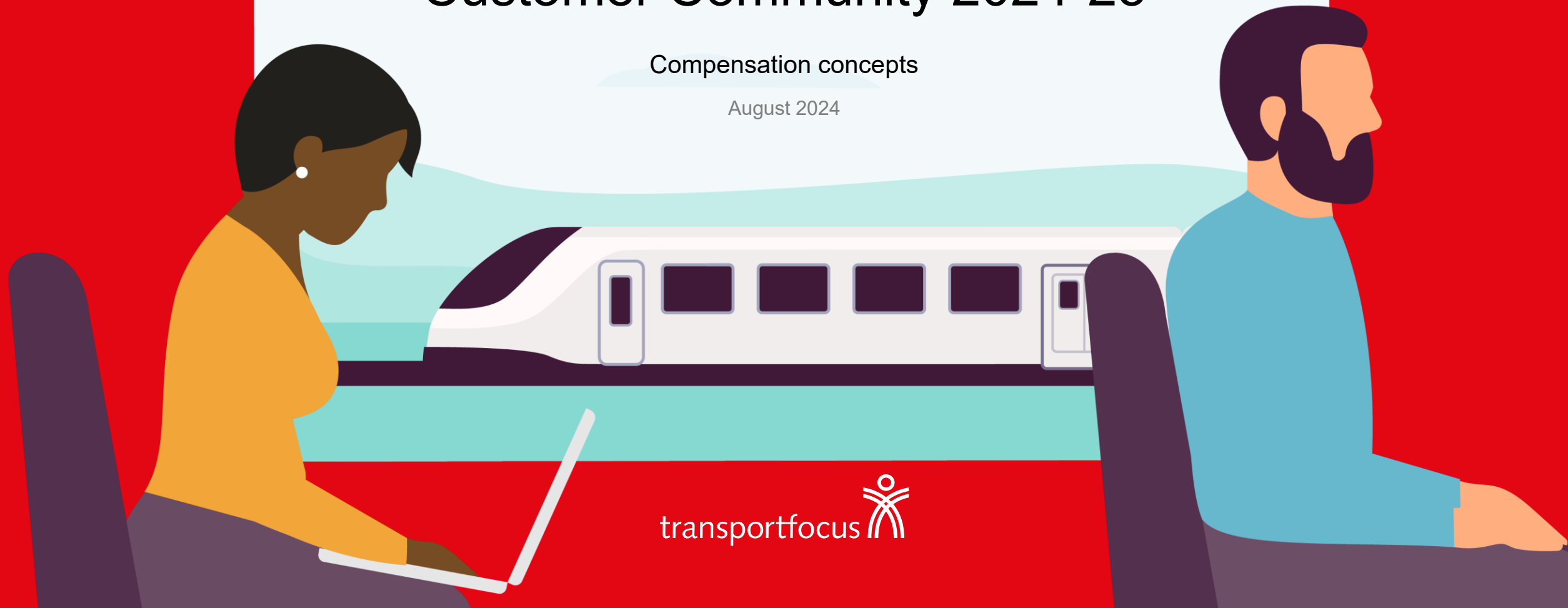


Shaping Rail's Future: Customer Community 2024-25

Compensation concepts

August 2024



The Customer Community: 2024-25

Following the successful community insight programme which ran from February 2023 to April 2024, this is the second community of rail users brought together by Transport Focus and Great British Railways Transition Team to help inform the future of rail travel in Britain



A unique vehicle for engagement

- ✓ Hear users' experiences and opinions of rail travel in Britain
- ✓ Identify strengths, weaknesses, and improvements
- ✓ Involve customers in potential solutions and new ideas to help shape the future of rail



Topic focus in July 2024:

Compensation and flexible fares: Exploration of new concepts

See separate report for feedback on flexible fares concepts



40 rail users

representing
diverse needs &
experiences



12 months
from July 2024



Using flexible, engaging research methods

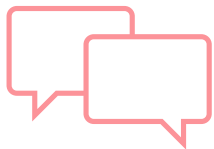
- ✓ Online research platform for continuous interaction
 - Feedback on a given topic each month
 - Via activities using video, text, images, polls
 - Participants work individually, interacting with a moderator, and each other
- ✓ Face to face workshops to discuss topics further, generate ideas, and explore proposed concepts

In July 2024 the community...



Warm up

(Outlined current ticket purchasing behaviours and preferences, as a warm up to more detailed and complex fares and retail concepts)



Compensation & Delay Repay

- Described their experiences of claiming for compensation when journeys are delayed or cancelled
- Explained their preferences for this process in the future
- ...and fed back on the concept of a new, centralised processing structure

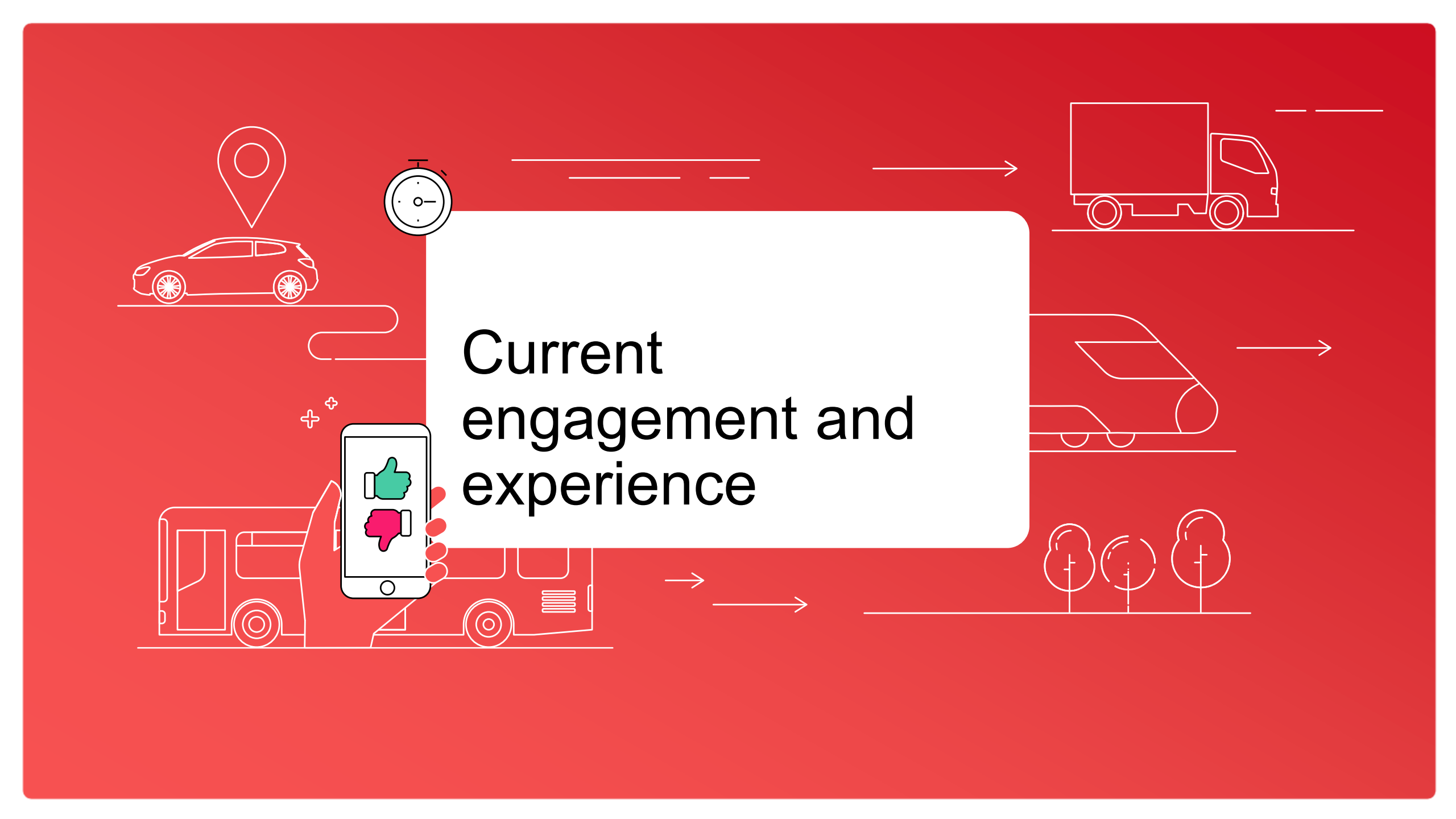


Long distance flexible fares

- Described circumstances in which advance booking is desirable (and not)
- Outlined their understanding of existing ticket types and their restrictions
- Ranked the influence of possible triggers to advance booking
- Evaluated proposals for increasing flexibility in Advance tickets, and ticketing structure overall

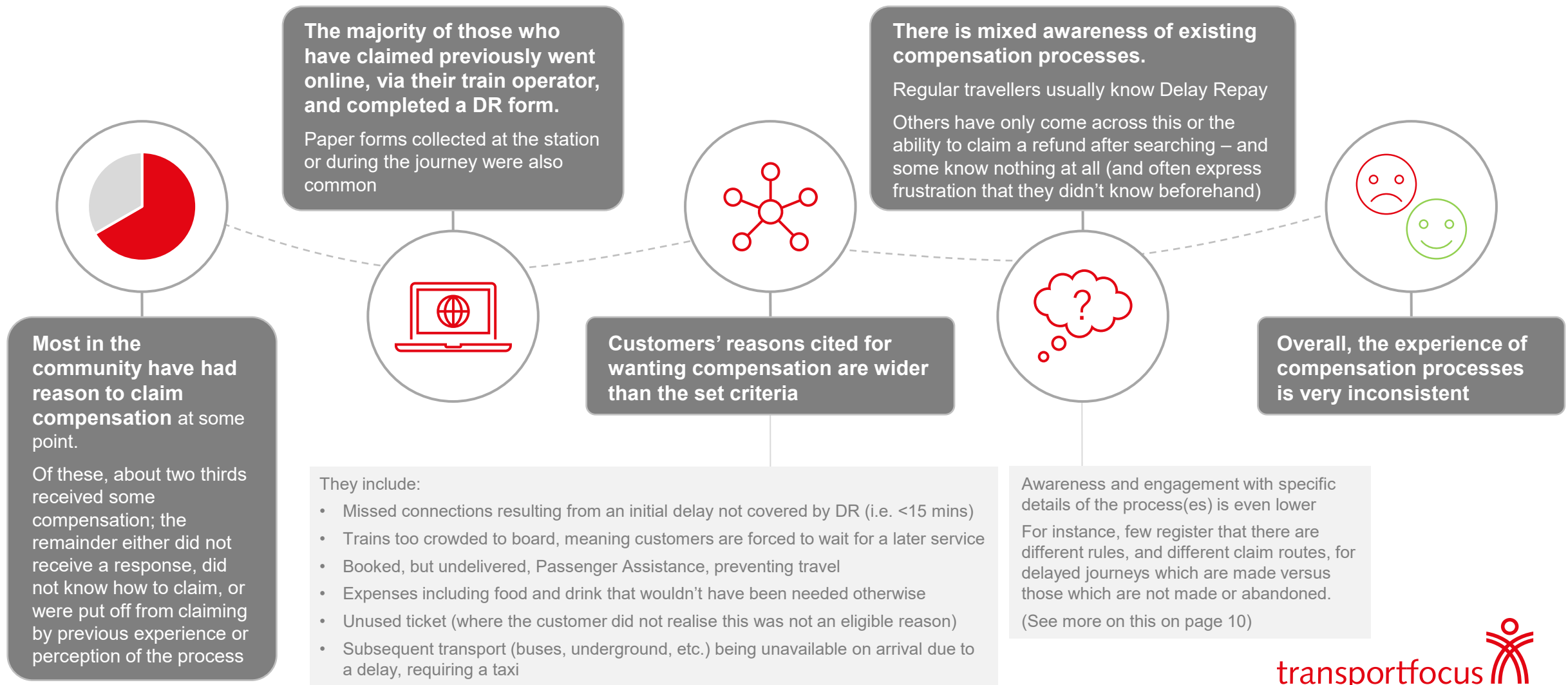
See separate report for feedback on flexible fares concepts

**Compensation for
delayed & cancelled
journeys**



Current engagement and experience

Compensation: summary of current experience and engagement



Compensation is seen as a consumer right, and less as a potential way to increase the appeal of rail travel

*It is right that passengers are compensated for delayed and cancelled journeys proportionally... It does not affect my choice to travel by train, **it should be standard for any company offering any service that they refund customers who they have provided a service to.***

Gareth, 27, commuter & leisure

*I think it's a fair thing especially as **train companies don't give allowances if a passenger is slightly delayed in joining their booked train.***

Mary, 38, business & leisure

It doesn't factor into my decision making, I'd rather have reliable trains than compensation for unreliability.

Susie, 45, commuter & biz & leisure

*For me, the decision to travel by train is based on cost and convenience. I wouldn't travel by train just because I am able to claim compensation. **A more streamlined compensation process is better though, should I ever need it.***

Lee, 52, leisure

***It gives you peace of mind** knowing that if any issues do arise, they will be dealt with swiftly and efficiently*

Robert, 52, leisure

*Issues around compensation are probably not central to whether I choose to travel by train or not, but ...it is important to know there is a mechanism ...if the service falls very far short of expectations. And **if there was a straightforward, central body to approach for all claims, that would be very good***

Tony, 50, business

I'd be more inclined to risk a delay to my journey if I knew compensation was an option.

Alice, 45, commuter & leisure

*...doesn't affect my decision to travel by train. **BUT knowing that this system exists increases my confidence and satisfaction in the rail industry.***

Rachel, 51, leisure

*...it acts as a **type of safety net insurance policy.** It can also alleviate fears I may potentially have regarding delayed or cancelled trains. **Overall, it can improve the whole experience of travel by train***

Mwaka, 24, commuter & leisure

Nevertheless, standardising the process would undoubtedly be welcomed. In addition:

Any compensation scheme must be made clear: explicitly and pro-actively offered, easy to find, easy to undertake.

It should be delivered in the spirit of acknowledging having already made a disservice to customers, rather than as a bonus to customers, or simply a process for operators.

The experience of claiming for compensation is currently very inconsistent, with more causes for criticism than appreciation

Summarised experience of recent compensation claim



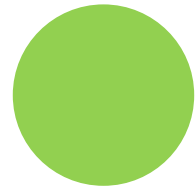
- Negative
- Mixed / neutral
- Positive

Typical features in more positive and negative experiences of recent compensation claims:

Size of bubbles indicates relative frequency with which these characteristics feature in participants' examples of making claims

More positive experiences

(more common for straightforward claims, using auto-DR or online forms)



Straightforward / consistent / familiar process

Other features:

- ✓ Constructive / pro-active staff interaction to trigger the compensation claim
- ✓ Fast turnaround and payout

More negative experiences

(more common when interacting with an agent, and/or where claims are more complex or disputed)



Laborious for customer



Need to make better use of data / technology

(not doing so feels illogical / inefficient)



Process / payout too slow



Lack of / excessively slow communication



Rules / criteria are over-complex or disingenuous

Other features:

- × Forms / process too rigid (e.g. insufficient space to affix ticket to paper form, lack of "free text" field to provide more context and additional detail)
- × In-person contact options vital for some, who struggle with online or digital methods
- × Insufficient (i.e. perceived as unfair) compensation value
- × Lack of awareness of the process or where to go to begin a claim (exacerbated by operators seeming to "bury" this on websites)

The experience of claiming for compensation: in customers' own words

Straightforward / consistent / process

The process was explained by the train guard - the information was on the internet - I just had to input relevant information - no problems at all.

Bridgitte, 76, leisure

It's ok. I think the refund should be automatic... At least the process is consistent..

Gareth, 27, commuter & leisure

Laborious

...normally I just go with it but this ...made me very angry. It [was] a battle to get a refund, it felt like they were hoping I would shut up and go away.

Steven, 60, business

I didn't bother ...it would've been an added hour of work, ... and the customer support isn't as helpful as they should be.

Gemma, 24, leisure & business

Not optimising data / technology feels illogical / inefficient

The process is time consuming and not very straightforward [as a season ticket holder]...

I've been challenged ...in the past, asking for "proof" of travel, which seems bizarre (how does one prove that you were on a train last week!)

Steven, 60, business

The process was quite tedious. I had to state how late the train was delayed... had to look this up. I see no reason for this if it is registered somewhere. I even got this...out by 2 minutes or something! I should not have to be calculating this, it should be automatic....

I also had to upload the documents ...This was all purchased digitally, so not sure why I had to do this.

Lina, 47, leisure & business

Too slow

The form was straightforward... they could have sped up the process to 1 or 2 weeks and would have preferred a bank transfer.

Geoff, 44, commuter & leisure & business

Other characteristics / points of note

...easy to understand and did not take time ...could have been better [to] have interacted with someone at the station [to] refund me then and there.

Sam, 21, commuter & biz & leisure

Because we don't use modern technology easily it takes us more time ... online ... [But] when we once hit a snag we were able to phone GNER and get verbal help

Ada, 72, leisure

Lack of / excessively slow communication

I had written an email to customer service and just got no response, I sent it twice and then just gave up.

Victoria, 53, leisure & business

Rules / criteria feel unfair or disingenuous

...they don't [pay out] if ...trains are scheduled to be cancelled [with] more than a day's notice ...which I don't think is fair because I buy a monthly pass - so I don't know that trains won't be running for so many days when buying.

Alicia, 27, commuter

Frustrating because the minor frequent delays often fell outside the compensation thresholds - I could be late to work every day for a week and unable to claim. Once my son was 2 hours late because of a delay to the replacement buses... but because the train itself was on time he couldn't claim.

Susie, 45, commuter & biz & leisure

Further detail on current compensation process: different claim routes and pay-out outcomes for delayed (but made) and not-made journeys



Level and type of pay-out

Few customers are aware that there are different compensation levels, or a full refund, depending on whether the journey is completed or not, and how delayed it is

On prompting, views on this are mixed:



About half are content with this distinction, **recognising that more significant disruption merits more compensation**, and vice versa



But half think this is unreasonable and/or complicated:

- They either feel entitled to full recognition of when a paid-for service is not delivered to the expected standard and outcome
- Or see current rules as open to interpretation depending on the customer's circumstances and the impact the disruption had on them – meaning a more straightforward approach to compensation (i.e. full refund) would feel justified. As such, **explicit clarity would go some way to help here.**



Organisation responsible

Most customers are unaware that refunds are given by a retailer, while compensation comes from the disrupted TOC



When they register this concept, participants were usually negative, at best finding it **confusing, at worst deliberately disingenuous.**



There may be a **small preference for going to the original point of purchase** in all cases, but the priority is in perceiving there to be a single, intuitive point of contact, regardless of who this actually is.

I think the refund should come from original point of purchase... After all, that's how it works with physical products - you go to the retailer in most circumstances.

Harry, 30, leisure

...different routes for claiming compensation ...is too complicated for travellers and will mainly serve to discourage people from claiming compensation.

Tony, 50, business



Responses to questions about this detail, as for the compensation system more broadly, point to a **generally low level of engagement with this topic amongst most customers** – most of them have little need to be familiar with this, and engage with it relatively rarely.

As such, an overarching ambition for this element of rail travel (as for all other aspects of customer journeys) should always be to **reduce and simplify the possible routes, rules, required inputs, processes and possible outcomes.**

More specifically:

- Overall it appears **acceptable that some scenarios merit a refund and others compensation (of varying amounts) – providing this is made very clear**, and is kept as simple as possible
- Note that the positive step towards centralising the process for compensation claims on delayed journeys (as discussed on the following page) could be undermined by retaining a different process for refunds on not-made journeys. **Ideally for customers, and if possible, refunds and compensation might be brought together with the same point(s) of contact working for both**



The system that separates compensation for delays and refunds for abandoned trips ...helps address different passenger experiences. It understands that not all delays are the same and responds accordingly.

When I face a delay but decide to continue my journey, compensation shows that the company understands my inconvenience. It encourages me to wait instead of giving up on my trip...

If I do abandon my journey... I should get a refund since I didn't receive the service I paid for. This feels fair because it acknowledges the trouble caused by severe delays.

However, how well train companies explain these policies is very important. Clear information can help prevent confusion and set the right expectations for passengers.

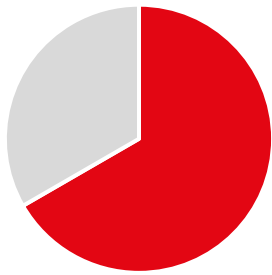
Victoria, 53, travels for leisure & business, rural South West



Developing the process



Overall there is strong appeal in the concept of a central, dedicated team handling all claims



Two thirds preferred this over the idea that their original retailer and/or a TOC would handle the claim themselves



Reasons for this preference:

- ✓ **Independence**
- ✓ **Easier** (e.g. if you forget which operator, or if multiple TOCs, were involved)
- ✓ **Consistency of process** (rules, forms and requirements from the customers, and language, layout, presentation)
- ✓ **Accountability** ("no being passed around the houses")
- ✓ **Efficiency** (and VFM - due to expertise, streamlining, greater focus on the task)
- × (Only one participant concerned about sharing data with a second organisation)

Base: all participants answering (39), Jul-Aug 2024

No strong consensus around how customers would prefer to access this service.

Of those liking the idea of a centralised D/R team....



A third would prefer to access this as a **separate entity**

- ✓ Certainty on impartiality
- ✓ Easier if TOC is unknown
- ? Feels non-intuitive to have an independent team, but still to go via the TOC
- ? (...exacerbating cynicism around whether TOCs will really present the interface consistently, whether they will make it easy to find on websites, etc.)



A third would prefer to **go via a TOC in the first instance**

- ✓ Cohesive experience and familiarity (if purchased direct from TOC) – from purchase to journey to any post-journey contact
- ✓ Credibility ("I'd [know] it wasn't a scam if it was ...the company I purchased from")
- ✓ Assumption that personal & booking details will be easily (automatically) inputted



The remainder have **no preference** or see benefits to both options

Overall, **this service merits multiple "shop windows"**: via operators, other retailers, and a dedicated site.

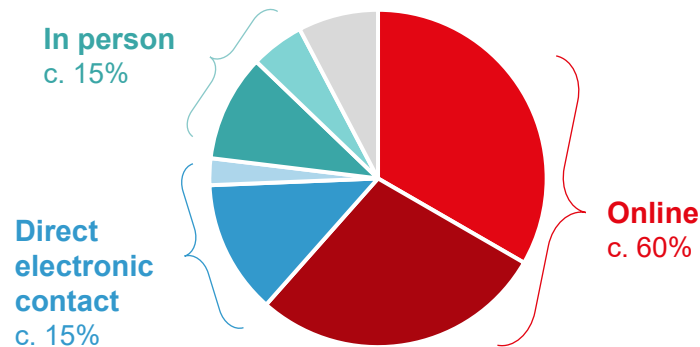
This makes it easy to find, regardless of people's assumptions about where to go, and streamlines the process for customers, including pulling through details from the original booking where possible.

Of course, this means that...

- For those going via a TOC or other party, **it must be made explicit that a separate service is involved**. This enables the benefits above to be realised, and allows for any necessary data transfer to be made clear.
- **This structure must also work well in practice** – some customers already recognise the existing D/R scheme as a "white label" service accessed via TOCs, but perceive communication between the parties to be unreliable. Such experience must be prevented so as not to undermine what could be a genuinely positive step forward.

While most prefer that this contact for claiming compensation will take place online, keep in mind that in-person contact is necessary for some

Preference for contact method, to claim compensation



- Online, via form
- Online, via account (no need for form)
- Email
- Message app, e.g. Whatsapp
- Phone
- At a station
- Other

There are benefits to each of these, suiting different types of customer

Online via form / account

- ✓ Convenience – especially where it is possible to link back directly to the original purchase, to avoid providing “unnecessary” details

Email / other direct contact

- ✓ On my terms: explain the situation and attach photos without needing “unnecessary” or hard to find details
- ✓ Convenient
- ✓ Creates perception of ownership of the claim

Station / by phone

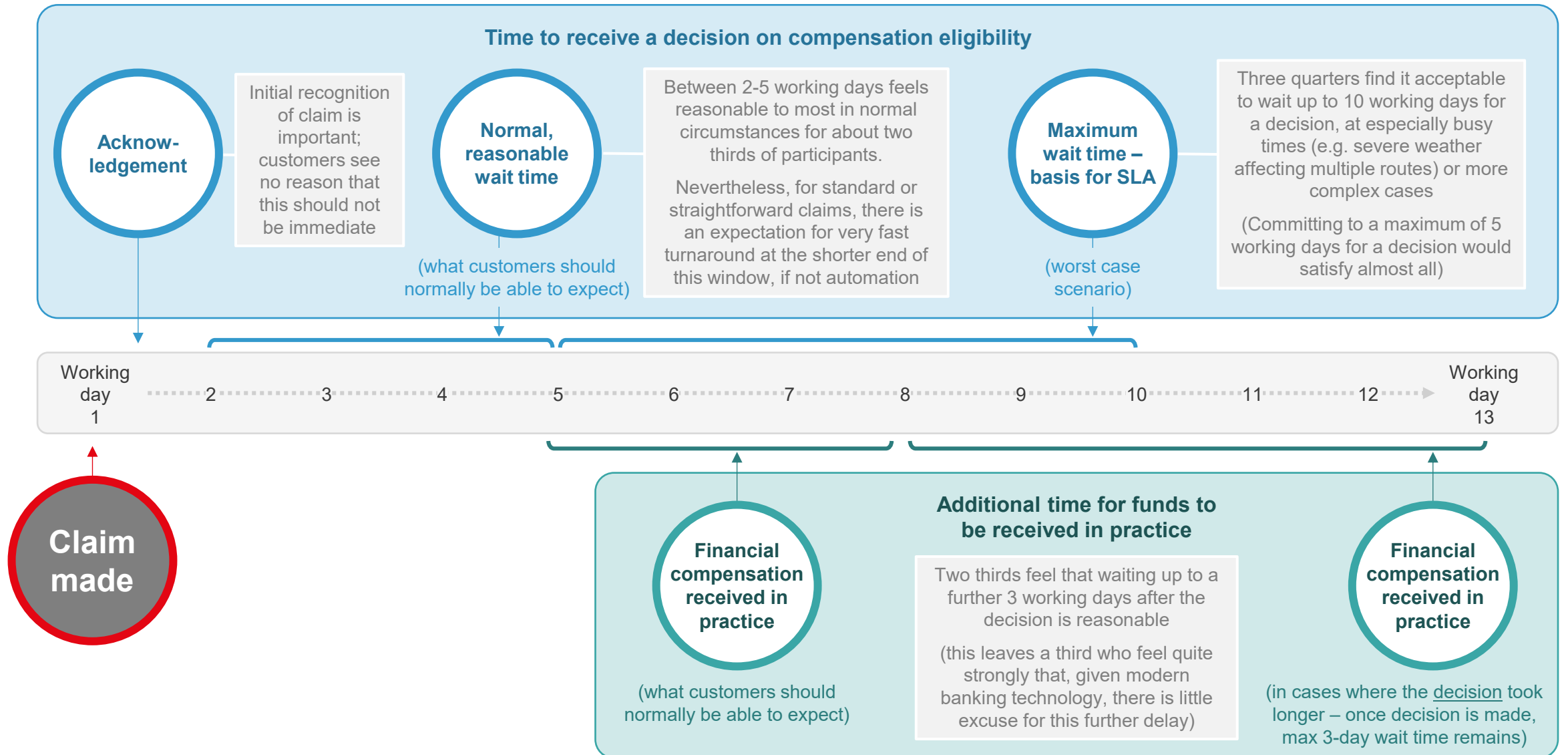
- ✓ Intuitive, if you bought the ticket there – just as you might go back to a shop to return an item in person
- ✓ (Some also assume that refund will be given immediately, as in a shop)
- ✓ Prefer to speak to someone:
 - Opportunity to explain scenario (and its wider implications), ask questions, and understand process
 - Creates perception of ownership of the claim
- ✓ Necessary for those less tech-able



From customers' perspective, compensation should be processed:

- Automatically, by default, where this is possible and agreed with the individual
- By a centralised, dedicated, independent team...
 -accessed via a range of possible shop windows, which should include both online and offline interfaces
 - And acknowledged as such regardless of interface used by the individual

Customer expectations for compensation timings



Customer expectations for compensation timings: in their own words

Decision times should be minimised; delay exacerbates existing frustration and breeds cynicism

Waiting time targets should be set at the minimum possible that will meet customer expectations, but with the ambition to always exceed these

*It shouldn't feel like there's any doubt that compensation is coming. **Waiting is stressful and implies there may be a battle ahead.** It should be a quick process to check the delay happened, potentially an automated task*
Alice, 45, commuter & leisure

*It seems so unreasonable for a claim to take this long. **It should all be automated as the data should be there... what is the [justification for any] delay?** If they know that they have inconvenienced a customer, they should own up to that straight away and stop making it so hard for customers*
Lina, 47, business & leisure

*I think there is a feeling among train users that **train companies are pretty selfish and will hold on to customers' money for as long as possible***
Ollie, 24, commuter & leisure & business

*...longer gives **incentive for companies to slow it down in the hope customers walk away***
Harry, 30, leisure

Payment is taken instantly and really should be provided back to the customer instantly** if the service has not been as it should ...the customer has to ...buy another ticket so [is] further **out of pocket.
Alicia, 27, commuter & leisure

*It shouldn't take long at all for deciding if a customer is eligible for a refund as **they already know which trains were delayed and why.***
Mary, 38, business & leisure

Within reason, **many customers can accept that decisions and subsequent pay-outs may not be immediate** – especially when they understand possible reasons for the time lag



Ultimately, **feeling informed and acknowledged is paramount**

***I do appreciate that companies can struggle at times with volumes increasing** and therefore having a worst case [SLA] that is not too long is fair to them as us as customers.*
Janet, 63, leisure

*...2-5 working days is sufficient time to refund ...[in] a simple situation... **10 ...is more than enough time for a refund to processed [in] special circumstances.***
Ranjit, 23, commuter & leisure & business

*One to two weeks ...is a reasonable time [when] they **may have to process many claims when a [whole] route is affected.***
Nathan, 20, leisure

*I don't live in an instant world and don't expect others to do so either. **I accept I use old fashioned methods and so am prepared to wait.***
Ada, 72, leisure

*Unless it was a significant amount of money, most people would be able to wait. **The important thing is that people receive an immediate response to know their claim is being processed and the maximum and reasonable wait time is communicated.***
Ben, 34, leisure

Summary



Compensation for delayed and cancelled journeys: summary

For most people, **the ability to claim compensation (through whatever process) is not a major factor in the overall appeal of rail** – it's a right, not a benefit.

Nevertheless, most rail users have had occasion to claim compensation at least once, and their awareness and understanding of their rights and the compensation process, and their experiences of it are very mixed.

Therefore, **standardising and improving the process is certainly something that people would welcome**. Indeed, when compensation has been difficult to access, this makes the impact of the original disruption feel worse, and this can put people off rail.

A central, dedicated team or organisation responsible for all compensation claims would be an appealing way to do this, from customers' perspective.

As part of this:

- It should be accessible via **multiple “shop windows”** to access it (operator, retailer and dedicated websites, as well as offline equivalents or signposting, via stations, on board staff, and contact centres)
- It should be made **explicit that a separate service is involved**, to realise the perception and trust benefits that this brings (for the sake of both customers and operators), and to ensure users are informed where there is any necessary data transfer
- Wherever possible and agreed by the customer, **processes should be automatic**

Compensation for delayed and cancelled journeys: summary

Ultimately of course, what rail users themselves care about it is the outcome and the effort required to get there, and less so the specific process or who is responsible. **Some key principles are important, regardless of how compensation is managed:**

- **Timings must be kept to a minimum;** participants' feedback indicates the industry should strive for:

- An immediate, initial acknowledgement of a claim having been made
- 2-5 working days for a response and decision over the claim
- (and up to a maximum of 10 working days in extreme circumstances)
- No more than a further 3 working days for the compensation to be paid in practice

- **The process must be easy to access: any new, dedicated compensation team / organisation must be easy to find**

The industry should pro-actively seek to raise awareness of the fact that compensation is available when needed – both to realise any benefits in perception (even if this is relatively minor), and to go some way to help passengers in a tangible way when they have experienced disruption. The inconsistency in awareness of existing Delay Repay scheme is testament to this need.

- **Be aware that there is some mismatch between customers' perceptions of when compensation is justified, and what is offered.**

This calls for very clear communication about eligibility (and simplification of this as far as possible), and perhaps a discretionary approach in some cases (as currently, and consider more formal guidelines for operators around this to bring consistency as far as is possible, as well as to permit and therefore encourage this on more occasions).

About Transport Focus

Transport Focus is the independent consumer organisation representing the interests of:



Bus, coach and tram users across England outside London.



Rail passengers in Great Britain.



All users of England's motorways and major 'A' roads (the Strategic Road Network).

Any enquiries about this report should be addressed to:

Louise Coward – Head of Insights
Louise.coward@transportfocus.org.uk

Transport Focus
Albany House, 94-98 Petty France,
London, SW1H 9EA

www.transportfocus.org.uk

Transport Focus is the operating
name of the Passengers' Council

We work to make a difference for all transport users.