

Rt Hon Justine Greening MP
Secretary of State for Transport
Department for Transport
Rail fares and ticketing review
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Dear Secretary of State for Transport

Response to consultation on fares and ticketing

I am writing, on behalf of the London Assembly Transport Committee, to set out our response to the Department for Transport (DfT)'s initial review on rail fares and ticketing. Any fares and ticketing strategy must be based on a realistic assessment of what passengers require in terms of cost, security and access. Our response highlights relevant portions from the Committee's work on analysing future ticketing development and rail overcrowding.

In November 2011, the Committee published *The Future of Ticketing*, a report providing the first external, public scrutiny of Transport for London (TfL)'s planned adoption of contactless bank cards as its primary ticketing system. During the investigation, we worked in partnership with consumer rights group *Which?* to survey over 1,300 UK residents on their views on recent developments in ticketing technology. Some of our conclusions are highlighted below and further details, including the Committee's full report and a more detailed breakdown of the *Which?* survey, are available on the Future of Ticketing publication page.¹

Principles of fares and ticketing regulation

We are supportive of the Government's attempts to underpin any new fares and ticketing policy with principles aimed at protecting passengers' interests. The Committee's *Future of Ticketing* investigation resulted in the development of five principles necessary to maintain passenger confidence in any new ticketing system, and ensure broad access to its benefits. These principles are:²

1. Any new ticketing system must provide the highest possible security for passengers' personal information;
2. Passengers should be supported to use any new system by trained staff and an adequately staffed customer service centre;
3. Passengers should have access to detailed breakdowns of their transport expenditure, and information provided to transport providers should be kept confidential unless otherwise agreed to by customers;
4. Those on low incomes should not miss out on the lowest fares because they do not have a bank card; and
5. Any new ticketing system should, as far as possible, be compatible with those provided by other transport operators.

TfL has pledged to conform to these principles in the future and we are pleased to see many of them reflected in the DfT's review. However, we consider it important that the eventual strategy adopted by the DfT should provide additional guarantees to help give passengers greater control over their expenditure. Firstly, passengers should have the right to a detailed breakdown of travel information, to

¹ <http://www.london.gov.uk/publication/future-ticketing>

² The Future of Ticketing report, the London Assembly Transport Committee, November 2011, pages 12 -19

monitor their expenditure and check for errors. Secondly, the introduction of new technology should never reduce access to the cheapest fares for the poorest passengers.

Smart ticketing and season tickets

The Committee notes the range of risks and benefits of smart card systems outlined within the Government's review. It should be the aim of any new system to maximise those benefits while addressing the risks to passengers. Our experience has demonstrated that without robust public scrutiny and consultation, passengers cannot be assured that this is always the case. For example, our report raised concerns about TfL's adoption of contactless bank cards as a vehicle for its smart ticketing system.³ These concerns focused on the business case provided to the Committee that rested on highly variable and contentious assumptions about cost, security, accessibility and timescales. Indeed TfL has since delayed initial implementation of its plan for at least six months.

We conclude that transport agencies which rely on significant levels of public subsidy and which run an effective monopoly in transport provision in their region should undergo effective public scrutiny of any large-scale plans for ticketing systems. This will help to ensure assumptions underlying any proposals are robust and that passengers, and tax payers, are assured the best deal.

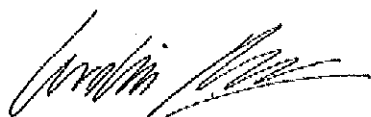
We would also underline the importance of allowing passengers to move freely between different transport providers and regions. This was demonstrated by the enormous popularity of the extension of Oyster Pay As You Go to suburban rail services run by competing Train Operating Companies (TOCs). We thus support the review's recommendations that ITSO be promoted as a national standard to allow passengers the freedom to move between regions and providers.

Using fares to achieve more efficient use of rail capacity

Managing demand, particularly at peak periods, cannot be achieved through fares alone. Passengers in the UK already pay some of the highest fares in Europe and we are wary of any strategy which would increase those fares as a means to reduce over-crowding during peak periods. In our report, *The Big Squeeze: Rail overcrowding in London*, we concluded that overcrowding must be addressed with a package of measures that looked at rail capacity, alternative travel methods and planning.⁴ Therefore, we consider that any use of fares to control peak demand should be geared towards making off-peak travel more attractive and be part of a wider strategy to reduce the need to travel at peak periods.

The provision of adequate rail services in London will be a daunting challenge over the next two decades. While major infrastructure projects such as Crossrail and Thameslink are welcome, many routes will struggle to cope with the expected 27 per cent increase in passenger numbers. Fares and ticketing policy will play an important role in shaping how passengers experience this growth on a day to day basis. We look forward to working with the DfT to ensure that any future policy balances making rail travel more affordable for a wider range of potential passengers with the need to control the growth of travel at peak periods.

Yours sincerely



Caroline Pidgeon AM
Chair of the Transport Committee

³ The Future of Ticketing report, London Assembly Transport Committee, November 2011, pages 20-23

⁴ The Big Squeeze: Rail Overcrowding in London report, London Assembly Transport Committee, February 2009, pages 20-23