



## The Mayor's Fare decision

**Citizens Advice evidence submission to the London Assembly's Budget & Performance Committee's investigation**

June 2009

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## Introduction

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The Citizens Advice service provides free, independent, confidential and impartial advice to everyone, about their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. The service aims:

- to provide the advice people need for the problems they face; and
- to improve the policies and practices that affect people's lives.

The Citizens Advice Bureaux (CAB) network is the largest independent network of free advice centres in Europe, providing advice from over 3,200 outlets, including GPs' surgeries, hospitals, community centres, county courts and magistrates' courts, throughout Wales, England and Northern Ireland. Citizens Advice Bureaux assisted 1.93million clients with about six million problems in 2008/09.

In London, 1,252 advisors (70% of whom are volunteers) provided advice in over 270 outlets across the city, assisting with over half a million of problems across a wide range of topics. 4,588 of these problems were classified as public transport, driving or parking & congestion issues, although cases under other classifications may also relate to traveling within London.

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## Summary

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An analysis of the cases highlighted by London CAB shows three main issues relating to Transport for London (TfL) services, which are:

- court summons for first-time fare evasion;
- entitlement to the Tram & Bus discount travel scheme; and
- recovery of fines through bailiff action.

Citizens Advice recommends that:

- TfL continue to implement the revised Penalty Fares Scheme to ensure first-time fare evaders are dealt with outside the judicial system;
- TfL extend entitlement to the Tram & Bus discount travel scheme to:
  - people who have worked in the past (and in receipt of contribution-based Employment & Support Allowance/ Job Seekers Allowance); and
  - the most vulnerable through illness/disability (and in receipt of Incapability Benefit).
- TfL work to improve practice regarding fine recovery through bailiff action, supported by an adapted version of Citizens Advice and the Local Government Association's protocol on Collection of Council Tax Arrears.

For more information or to discuss any aspect of this submission in more detail, please contact:

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## Ensure first time fare evaders are dealt with outside the judicial system

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During 2008, Citizens Advice and many London bureaux heard from many clients who were summoned to court, and in some cases received a criminal record, for making a genuine mistake in failing to pay for their London bus fare.

A central London CAB saw a single man who had been stopped by inspectors on a London bus. The inspector's check showed he did not have sufficient funds on his top-up Oyster card. The client was surprised, but did not contest the reading as he had been listening to his i-pod on boarding the bus and did not hear the Oyster reader beep. The client explained the situation as he was then taken off the bus and interviewed. He later received a court summons from TfL for this offence.

The client was extremely worried about the cost of this court action. He earns £650 a month with which he supports himself and his child, who lives with his ex-partner. He was faced with losing income either through a court fine if he pleaded 'guilty', or through loss of earnings by taking time off work to attend court to plead 'not guilty'.

Citizens Advice and London bureaux asked TfL to review the Penalty Fare Scheme to reduce the number of first time fare evaders being taken to court. TfL were responsive to Citizens Advice' approach and have now changed their policy. The revised Penalty Fare Scheme<sup>1</sup> will help tackle some low value fare evasion matters outside of the judicial system. Legal action should now be reserved for resolving particularly serious or high value cases of evasion and repeat offenders.

**Citizens Advice is pleased about the change and London bureaux should see a decline in number of clients being taken to court for first time fare evasion offences. Although Citizens Advice continues to hear of similar cases, these may be due to a back log of fare evading cases which are being processed under the old system. Citizens Advice will continue to monitor the progress over the next year.**

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<sup>1</sup> Except for serious first time fare evasion offences, TfL will now issue first time offenders with a Penalty Fare Notice, which will increase from £20 to £50 as of 11 January 2009. A £25 reduction will be available if a recipient pays the Penalty Fare Notice 21 days after it is issued. Individuals who are issued with and pay a Penalty Fare Notice on the spot will now be required to also provide their name and address.

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## Extend entitlement to the Tram & Bus Discount Scheme

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The TfL Bus & Tram discount card is a welcome help to many Londoners in receipt of the eligible means-tested benefits, i.e.: Income Support, income-related Employment & Support Allowance (ESA) or income-related Job Seekers Allowance (JSA).

Citizens Advice bureaux report clients, whose only income is Incapacity Benefit or contribution-based ESA or JSA, are not able to access this discounted travel scheme. These clients' incomes are very similar to those who are in receipt of eligible benefits.

A CAB in north London saw woman in receipt of Incapacity Benefit of £63.75 a week. She was unable to get discounted travel as she was not in receipt of any of the eligible benefits. She was not eligible for Income Support as she had previously worked, but her income was only £3 per week more than someone claiming Income Support. She felt this was extremely unfair as she had to bear higher travel costs, despite having only a slightly higher income.

The TfL Tram & Bus discount count is one of a number of 'passported benefits' - including prescription charges, access to the social fund, legal aid, free school meals etc. - available to people in receipt of means-tested benefits. Passported benefits, and travel discounts in particular, are a crucial tool in keeping people out of poverty and engaged in their local communities.

Citizens Advice is particularly concerned that under current proposals the move to ESA may exacerbate lack of fair access to passported benefits. The Government has said that both contribution-based ESA (C) and income-related ESA (I) will be paid at the same rate. Under the new arrangements, people who are in receipt of income-related ESA (ESA(I)) will be automatically passported to these benefits; people whose only income is ESA(C) will have to apply separately for each one. This will entail a separate means-test for each 'benefit', making the claiming process for this group of low-income disabled people much more difficult than necessary.

We are concerned that, for the first time, a system is being proposed where, as a result of having worked and paid contributions, or having a sickness/ disability benefit as of right (because they have had no opportunity to build a contributions record), ESA(C) claimants could be very considerably worse off than those who have not paid contributions.

Citizens Advice has highlighted these concerns with the Government as we believe that it is an absolute requirement of any legislation that it should be demonstrably fair, and we are concerned that ESA does not meet this criteria.

**Citizens Advice asks that Transport for London extend entitlement to the Bus & Tram discount scheme to Londoners in receipt of Incapacity Benefit or contribution-based ESA or JSA. This would achieve a fairer transport system, where those who have worked or are most vulnerable due to sickness/ disability, are able to travel within the capital affordably.**

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## Improve practice in fine recovery through bailiff action

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Citizens Advice is aware of a small but concerning number of cases where bailiffs acting on behalf of Transport for London have acted improperly or even illegally. The cases cited by bureaux relate to recovery of fines for traffic-related offences, such as non-payment of congestion charge and other penalty charge notices, by private bailiffs. Due to the nature of the bureaux service, many of the cases which come to the attention of bureaux relate to instances where debts have been passed on to bailiffs where the problem was not fine evasion but administrative errors on the part of TfL.

A central London bureau saw a single woman in her 30s who was visited at 4am by two bailiffs. They repeatedly rang her doorbell and banged on the door, demanding entry. She refused and after questioning them, they demanded payment of two outstanding accounts to TfL plus their own costs for attending. The client provided reference numbers proving she had already paid both charges in full, but the bailiffs still demanded she pay £769.82 for their attendance. She asked to be invoiced for this cost, and the bailiffs then clamped and later removed her car. They have since threatened to sell her vehicle to recover costs and have invoiced her £200 for the illegal removal of the car.

The client felt very frightened when being threatened by two men in the middle of the night who claim to have the law on their side, particularly as she lives alone. The bailiffs acting on behalf of TfL appear to have acted improperly by attempted to recover debts outside prescribed hours, demanding payment for costs which the client should not have been liable for (as the accounts had been paid off in full prior to their visit) and removed the client's property illegally.

Citizens Advice Bureaux have been reporting problems experienced by clients as a result of bailiff action for many years. The Citizens Advice Putting Bailiffs on the Spot campaign launched in 2006 was a national attempt to highlight incidences of poor practice involving bailiffs, and focused on recovery of council tax arrears through bailiff action. A key campaign objective, ultimately successful, was to achieve Government commitment to the introduction of effective regulation of bailiffs at a time when it was considering steps to increase their powers. Whilst that commitment was welcome, there remains frustration that full independent regulation of the bailiff industry will not be implemented until 2012 at the earliest.

Citizens Advice in partnership with the Local Government Association have developed a new protocol on Collection of Council Tax Arrears which makes a series of suggestions on how existing relations between local authorities and advice agencies can be strengthened so that council tax payers get a better level of service. It aims to strike a balance between efficient collection and ensuring vulnerable people and those facing financial difficulties get quality debt advice.

Citizens Advice recommends that TfL adopt the protocol, given there seem to be similar issues with bailiffs acting on behalf of TfL and those on behalf of local authorities, to improve practice in this area. We would be more than happy to work with TfL to explore how the protocol could be adapted to work with a regional agency, such as TfL.