

Jason Webb  
Rail Delivery Group  
LONDON  
Freepost EASIER FARES

29<sup>th</sup> August 2018

Dear Jason,

## Consultation on Easier Fares

Thank you for the opportunity to comment on this important issue affecting passengers. London TravelWatch is the statutory consumer watchdog representing the interests of transport users in and around London. As such we derive our views from a variety of sources such as research, secondary data, appeal complaints that we receive from individual passengers and from engagement with user groups and other stakeholders.

London TravelWatch has identified that public transport must be affordable for all Londoners and those who visit London, and provide demonstrably good value for money<sup>1</sup>. As such, the fares structure needs to be simplified so that passengers understand what they pay, and to do it in a way that is simple to operate and provides easy redress when things go wrong. Simplification is also required to enable the use of technology effectively in the ticketing system, because technology in itself will not solve problems that the rail industry has imposed on its self and on passengers.

In the context of travelling to and from and through London, this should involve the extension of the Oyster / Contactless bank card system to cover the London travel to work area. This will inevitably create winners and losers in the process. However the experience of zonalisation of fares in 2007, the extension of Oyster Pay As You Go to National Rail in 2010 and the addition of contactless bank payment in 2014 has shown that despite this the overall market for public transport use can grow through this.

Our research in 2015<sup>2</sup> showed that affordability for low paid workers in outer London is an increasing worry that needs to be addressed. We have also found that there is an increasing disparity of fares for journeys just outside the London area<sup>3</sup>, and major dissatisfaction amongst Annual Season Ticket holders<sup>4</sup>. All of these research findings point to a need for reform of the fares system.

As such there is a case for fares to be based on a variety of the structures mentioned in your consultation in order to cater for the different passenger markets that the railway serves. The exception would be by distance travelled, which we feel would produce more unintended consequences than the other proposed structures. A better method we feel would be a system of 'islands and bridges' linking the major urban areas of Great Britain, whereby fares would be calculated on a 'chain link' method, ensuring that the passenger was not charged more than sum of the parts of a journey – as witnessed today by the prevalence of 'split-ticketing'. This could involve peak and off-peak pricing, railcards and local concessionary schemes such as the Freedom Pass, would still allow competitive pricing and allow a fair distribution of revenue amongst train operators. A worked example would be as follows:-

West Sutton to Sutton Coldfield: Adult travelling at 0850 from West Sutton: Link 1: West Sutton to Euston peak price: Link 2 Euston to Birmingham New Street : Off-peak price for either Virgin Trains, London North Western or Chiltern Railways: Link 3 : Birmingham New Street to Sutton Coldfield off peak price. Alternatively for a Senior Citizen (with London Freedom Pass) the price would be reduced by a Senior Railcard and varied to take account

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<sup>1</sup> [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=3734&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=3734&field=file) and [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=3896&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=3896&field=file)

<sup>2</sup> [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=4100&age=&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=4100&age=&field=file)

<sup>3</sup> [http://www.londontravelwatch.org.uk/news/view?id=698&x\[0\]=news/list](http://www.londontravelwatch.org.uk/news/view?id=698&x[0]=news/list)

<sup>4</sup> [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=4438&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=4438&field=file)

of the free travel between Elephant & Castle and the boundary of zone 6 or Watford Junction.

Linked to any reform of fares must be a review of the way in which tickets are sold whether it is through ticket offices, vending machines, smartcards, contactless bank and mobile ticketing. Our review of the closure programme of London Underground ticket offices for the Mayor of London in 2016<sup>5</sup>, found large scale dissatisfaction amongst annual season ticket holders of the ways and conditions in which they are expected to purchase their tickets and with the level of loyalty reward that they are shown for the high outlay that they make. This was confirmed by the further research that we did around the needs of Annual Season Ticket holders mentioned above.

London TravelWatch would also like to see a change to the date at which regulated fares are changed. At present the 2<sup>nd</sup> January annual change date is problematic for both passengers and the industry alike, particularly as significant numbers of Annual Season Tickets are renewed on or before this date. This causes issues for passengers trying to renew their tickets before or during the holiday period as often ticket offices may be exceptionally busy or closed. It is also a very poor time in terms of customer and media relations when passengers will have spent significant sums of money and be returning to work, to then face a story of increased cost to them. It is also often the case that the railway is facing significant weather related disruption which further adds to dissatisfaction.

For the industry it is also problematic if there are issues in the application of the new fares in the 'system' in the run up to the change date, when significant numbers of staff may be unavailable. Moving the date to another time of the year would get over these problems and objections: A suggestion might be to have changes either at the beginning of the tax year in April or the academic year in September. In an interim period between two dates we would suggest a fares freeze except for changes to reduce anomalies.

Your consultation is a national one, but there are significant issues still to be resolved in the London regional context: Shown below are examples of where simplification of fares and ticketing is needed in and around the London area:-

1. Inequality in fares charged for similar length and purpose of journey :

Zone 6 to Zone 1 with London Underground travel within zone 1

	Cash single	Cash return	Peak Oyster PAYG	Off-Peak Oyster PAYG	PAYG Cap	Total both journeys peak	Total one peak off peak	Total both off-peak
Epping – Oxford Circus	£6	£12	£5.10	£3.10	£12.50	£10.20	£8.20	£6.20
Coulsdon South – Oxford Circus	£10.20	£18 £18.10 peak Travelcard £12.70 off-peak Travelcard	£8	£5.50	£12.50	£12.50	£12.50	£11

From these examples the person travelling from Coulsdon South is paying £2.30 extra per day at peak times, £4.30 extra per day where one journey is in the peak and the other off-

<sup>5</sup> [http://www.londontravelwatch.org.uk/documents/get\\_lob?id=4291&field=file](http://www.londontravelwatch.org.uk/documents/get_lob?id=4291&field=file)

peak and £4.80 extra per day if both journeys in the off-peak for a similar journey to the person travelling from Epping, crossing the same number of zones.

2. Discrepancies at the boundary of the London Travelcard / Oyster area.

Ewell East to London Victoria or London Bridge

In this instance an anytime paper return fare is £14.20 (no off-peak available except as a Travelcard for £12.70), but an off-peak day paper return fare is available from Epsom (one station further out) as a Southern only ticket for £7.50 or as any operator ticket for £9.50. The Oyster Pay As You Go fares are £12.50 in the peak (cap reached) or £10.40 (one peak and one off peak journey) or £8 in the off-peak (both journeys). However, it is difficult for passengers to obtain the Southern only £7.50 tickets at Ewell East. This is a level of complexity that needs to be addressed: simplification would come with an extension of Oyster to Epsom.

3. Examples of variations in commuter fares in the London TravelWatch area (2018 fares)

Commuting area	Distance in miles to London terminus station	Weekly season ticket price
Dorking (Weekly ST Southern only)	21	£82.30
Gatwick Airport	26¾	£78.60
Harlow Town	22	£83.60
Oxted	20	£57.10
Redhill	21	£68.60
Sevenoaks	21	£87.50
Shenfield	20 ¼	£76.30
Slough	18.5	£65.70
Hemel Hempstead	21	£92.90
Amersham	23.5	£88.70
Woking	24.5	£81.20
Welwyn Garden City	20	£73.10
Staines	19	£65.40
Grays	19.5	£59.40

These variations in prices have built up over a long period as a result of individual decisions by different train operating companies and by the DfT at franchise renewal. This distortion does not help manage capacity and in some instances will encourage perverse behaviours such as purchasing tickets for greater distances than those actually made.

If you have any queries regarding this response, please do not hesitate to contact me.

Yours sincerely

**Tim Bellenger**  
Director Policy and Investigation