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Dear Siobhan,

Retail market review: Consultation on the potential impacts of regulation and industry arrangements and practices for ticket selling

This letter sets out TfL's responses to the questions posed in the ORR's consultation on the potential impacts of regulation and industry arrangements/practices for ticket selling. TfL is content for its responses to be published and shared with third parties.

Questions for Chapter 2

The review does not mention the development of smartcards and the use of credit/debit cards to make direct payments for journeys. These new methods of payment have proved very successful, increasing customer convenience whilst also reducing transaction costs.

The review does not mention the growing potential for fraud using paper tickets which strengthens the case for the wider use of Smartcards and other (more secure) methods of payment, particularly where high value season tickets are concerned.

Questions for Chapter 3

TfL is not mentioned at all in this chapter which represents a significant omission given that TfL retails a substantial range and volume of tickets on behalf of National Rail. As noted above, the review appears to be very focussed on paper tickets and makes no mention of the growth in usage of alternative ticket media such as Smartcards which have considerable potential to improve the journey experience for those using them.

Questions for Chapter 4

TfL considers that the retention of interavailable ticket options and impartial retailing is key to ensuring that the customer gets a fair and comprehensible deal when purchasing tickets. Operators should continue to offer a timetabled, walk up service as this is critical to the attractiveness of rail, particularly in the urban travel market. Constraining opportunities to travel through a more restrictive ticketing system is undesirable and likely to lead to reduced levels of usage and customer satisfaction.

Maintaining ticket office opening hours is not essential to passenger needs where ticketing requirements are relatively simple (as in urban areas) and can mostly be met through Ticket Vending Machines (TVMs) or online, using media including Smartcards. It is, however, important that a staff presence is maintained to offer assistance to customers purchasing tickets when they need it, as well as other types of information and advice. A staff presence does not have to be provided within a ticket office, indeed staff are often more visible and useful to customers outside the ticket office, circulating around the station. Ticket office opening hours should only be maintained where there is clear evidence that the office concerned is heavily used by customers and ticketing options are relatively complex, as at major stations for example. Media such as Contactless Payment Cards allow customers to pay automatically for their journey without needing to purchase a ticket at all; developments such as this also impact on the requirement of staffed ticket office facilities.

Giving operators the opportunity to charge booking fees for tickets is not desirable as it will only serve to increase fares that are already perceived as too high by the public.

Questions for Chapter 5

TfL considers that a clear and consistent approach to retailing is the best way to ensure that the ticket purchase system is easy to use and encourages patronage. Ticket products and railcards with a broader reach and simple rules are more likely to appeal to customers than those with complex rules and restrictions. The best approach is to automate the payment process, thereby ensuring that a customer always gets the best price for the journey they are making. This may not be practicable where fare structures are more complex. Every effort should therefore be made to simplify fare structures wherever possible to make them more transparent to customers and to facilitate automated payment, encouraging use of the rail network and ensuring that the best value price is paid for the journey that is being undertaken.

Questions for Chapter 6

The presence of a large number of third party retailers indicates that the

current market and associated governance/rules permits innovation. Change should therefore be incremental rather than revolutionary, addressing identified shortcomings to improve processes and shorten the length of time it takes to innovate and bring new products/ideas to the market.

Yours sincerely,

**Alan Smart,
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