Dear Siobhan

Thank you for the opportunity to comment.

You will be aware from previous conversations of the work that Passenger Focus has done around ticketing so I won't repeat this in detail here. However, perhaps the most relevant areas for your study concern the range and choice of products on sale and we have outlined three particular areas below.

Our first point concerns the quality of data-feeds. Existing legacy systems still seem to be designed around face-to-face purchase, with the ticket clerk translating industry jargon, filtering information and providing tailored advice to an enquiry. Our work on Ticket Vending Machines demonstrates the difficulties some passengers can face when buying tickets for unfamiliar journeys. Passengers are often presented with an array of confusing options with unhelpful explanations that require a working knowledge of the railway to interpret. ORR's own research has also highlighted problems re understanding restrictions/validities attached to certain tickets. The easier it is to understand and use these data-feeds the easier it may be to attract new entrants to the market.

In addition, limitations with the existing system seem to prevent some tickets/products from actually being sold in the first place. For example, ranger/rover and groupsave tickets can be hard to buy from anywhere apart from ticket offices. Nor have we seen very much in the way of inclusive-package offers often seen in other markets – for example, when buying tickets to an attraction or show also being able to buy train tickets as part of the deal. The review could usefully look at whether the existing system/processes are restricting the supply of such products. It has also been suggested to us that the absence of a data feed giving routing guide information makes release, to some fanfare, of the fares database last year difficult for potential new entrants to take advantage of.

Our second point concerns the profitability/viability of the third-party market. Commission rates have been reduced over the years and are now around 5%. At this level it must be hard to even cover costs – hence, presumably, the booking fee that is often levied. This has two implications: the need for high sales volumes which means that new entrants have to be big, well resourced operations from day one; and potentially stifling innovation due to low margins.

Our third point is also related to viability but covers concerns expressed to us by others over the governance/limitations placed on third party retailers by the industry. One issue is the principle of licences/restrictions on third-parties being effectively controlled by their erstwhile competitors, the TOCs (via ATOC). The second concerns the way that certain products are excluded, especially season tickets. The latter is an area where competition between retailers could lead to really worthwhile innovation in products and customer service – e.g. in the form of direct debit payment schemes, insurance (in case of loss), delay repay processing and such like. We have also heard anecdotal concerns at the charges levied by the train companies for using their equipment/services – perhaps the most common being the charge for picking up tickets (TOD) via a ticket machine. One argument expressed was that it was cheaper to post a ticket than it was to have it collected via TOD.

Clearly these need to be balanced against the need to ensure minimum standards etc. The review will hopefully provide an opportunity for these differing views to be aired.

Finally, your letter states that prices /fare levels are not part of the review. There are aspects of fares, however, that may be worth including. The Megatrain offer operated by Stagecoach seems to involve block-buying capacity on specific (lightly used) services and then re-selling these at 'budget' prices. It is noticeable, however, that these are only available for train journeys where stagecoach is the parent company – it would be interesting to know what has stopped this business model expanding. We also wonder whether the issue of split-ticketing will fall within the scope of the review - this being a growing market in its own right and one that has an impact on the price paid by passengers.

We would, of course, be happy to discuss this in more detail if you would find it helpful.

Regards

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