

Correspondence with Trainline regarding the transparency of online rail ticket fees

ORR has redacted all personal data

Correspondence type	Page number
ORR's initial letter to Trainline	2
Trainline's response	6
ORR's response to Trainline	8

Jacqui Russell
Head of Consumer Policy



Angus Cameron
Head of UK Industry Relations, Trainline
[by email]

11 December 2023

Dear Angus,

Transparency of fees charged by online rail ticket retailers

We have today published a report on the transparency of fees charged by online rail ticket retailers. This report and the underlying review were conducted as part of our powers to monitor, investigate and enforce compliance with consumer law principles governed by the relevant legal framework.

The review has identified questions with respect to the transparency of the service that Trainline provides for its customers. We write to request further information and clarifications about your current approach and to invite you to make changes in view of the points raised. We would be grateful for a response by Friday 19 January.

Background to the legal framework

The consumer law framework aims to ensure that businesses are fair and open in their dealings with consumers. The Office of Rail and Road (ORR) has consumer enforcement powers for the rail sector, concurrent with the Competition and Markets Authority (CMA). We are a Designated Enforcer under Part 8 of the Enterprise Act 2002 (EA02) and have the power, where there is evidence of harm to the collective interests of consumers, to take enforcement action.

The two key pieces of legislation are:

- Consumer Protection from Unfair Trading Regulations 2008 – These prohibit unfair commercial practices, including misleading actions and omissions. They prohibit failing to provide material information in an invitation to purchase, that are likely to impact a consumer's transactional decision. A misleading action can include providing a consumer with false information about the price of a product, or the way the price is calculated, or presenting the pricing information in a way that is likely to mislead the consumer, even if the facts themselves are accurate.
- Consumer Rights Act 2015 – The two key principles of this legislation are that contractual terms should be transparent and fair. For a contractual term to be transparent, it should be written in plain and intelligible language and be legible. In terms of fairness, a contract term is understood to be unfair if it causes a significant imbalance in the parties' rights to the detriment of the consumer.

Consumer law principles: fees charged to customers

We are looking to improve compliance with this consumer protection legislative framework. Informed by this framework, we have identified a set of core principles relating to the application of fees (see Annex), which we are looking to uphold through this work. These principles seek to reduce various risks consumers face when they are presented with particular commercial practices. For example, paying more for their purchase than they had expected to pay because of drip pricing; or paying fees that they have not made an informed decision to accept, as they were not aware of the charges up front.

In order to improve industry practice we are looking at two specific areas, the presentation of fees during the booking process and information provision for customers about the terms and conditions of the service they are engaging.

Our review

We reviewed the information provided on 40 online rail ticket retailers' desktop websites and mobile apps in respect of booking fees (including finder's fees for split ticket options), fulfilment fees and refund/amendment fees.

We made test purchases for a low-value Anytime single fare, and simulated purchases for a long-distance journey, from each desktop website and mobile app. We gathered information utilising screen recordings and screenshots to capture our experience of the ticket sales process.

Our findings - Trainline

Consumer principle A: Booking fees

We found that Trainline did not incorporate its mandatory booking fee in the upfront price first displayed to consumers and therefore did not provide consumers a clear indication of the exact cost of their booking at the earliest opportunity. The mandatory booking fee was included in the price at the next stage of the booking process on both the website and app.

We welcome the breakdown of the total price into its component parts. This is shown on the first page of the booking process on the website, however, the price of the ticket is given much greater prominence than the booking fee (on both the website and the app). Further, the app only provides this breakdown at the final stage of the booking process.

Please explain (alongside any supporting evidence) as to:

1. Why Trainline does not include the mandatory booking fee within the upfront price *and* your proposals for change in this respect;

2. Why the price breakdown does not give prominence to each of the charges being levied *and* your proposals for change in this respect;
3. The minimum and maximum fee(s) that Trainline will charge alongside a clear explanation by way of example scenario(s) as to when they will apply;

Consumer principle B: Fulfilment fees

We noted that the pre-selected fulfilment option was a free-of-charge option. However, we found that when a fee-based fulfilment option was selected on the website, the price did not update until the next stage of the booking process. We did not observe fulfilment fees on your app. If fulfilment fees are charged in your app, please can you clarify.

Please explain (alongside any supporting evidence) as to:

4. Why Trainline does not incorporate the fulfilment fee in the price displayed to the consumer immediately once it is selected *and* your proposals for change in this respect;

Consumer principle C: Information provision

We note that your website states that you do charge booking fees but does not provide consumers with sufficient information to make an informed decision about whether to use your service in light of the fees you charge. The Trainline website and app includes a broad statement that fees may vary for a number of reasons (*'depending on whether you book on our website or on our app, when you are purchasing your ticket, and the value of your ticket'*) but does not provide any further explanation. Further, this information is not always easy to locate on your website. There is no information on your homepages that makes clear that you charge booking fees. On both your website and app, we found information by clicking through to Help, then Getting your Tickets, where information about fees was 16th in the list of topics. A search using the term 'fees' gave a direct link to the same information at the top of the search results.

In terms of the information provided about fulfilment fees, we found Trainline's website had incomplete information, i.e. information was supplied on the ticket delivery options available but not on the cost of each option.

We noted that Trainline provided accessible information on refunds and their associated fees during the sales process, as well as on its website.

Please explain (alongside any supporting evidence) as to:

5. Why Trainline does not provide fuller information to consumers on how fees are calculated and the range of fees that may apply on its information pages, *and* your proposals for change in this respect;

6. Why Trainline's information about fees is not easily accessible to consumers, *and* your proposals for change to ensure improved access to this information with emphasis on transparency for consumers;
7. Why Trainline does not provide clear information on its website about fulfilment options and their respective fees *and* your proposals for change in this respect.

Next steps

We seek your responses to this correspondence and the queries raised by Friday 19 January via email to Consumer@orr.gov.uk. In the meantime, if you have any questions, please contact me directly by email.

The information you provide will contribute to our decisions on next steps. We plan to publish this letter and your response on our website. Should you wish to provide us with information that you consider to be commercially confidential, please provide this in a separate document, and we will take your representations into account accordingly.

Yours sincerely

Jacqui Russell

Annex: Consumer law principles

Presentation of fees during the booking process

A. Where there is a mandatory fee for purchasing a rail ticket online:

A1. it should be included in the price at the earliest opportunity, which for rail ticket purchases is commonly the upfront price that is first displayed to the consumer.

A2. It should be clear to the consumer that a fee is being charged and how much it is throughout the booking process.

B. Where there is a ticket fulfilment option available for a fee:

B1. it should not be pre-selected.

B2. where an option with a fee is selected by the consumer, it should be immediately included in the total price displayed to the consumer.

Information provision for consumers

C. There should be readily available, transparent and accurate information online for consumers to read in advance of engaging with the booking process about:

C1. mandatory booking fees associated with ticket purchases. This should explain when fees apply, state the level of any fixed fees, and explain how variable fees are determined (for example whether fees vary with ticket price, timing of purchase or any difference in fees between website and app purchases).

C2. ticket delivery options and any fees associated with each option.

C3. eligibility for refunds and ticket amendments, and any associated costs.

Jacqui Russell
Head of Consumer Policy
Office of Rail and Road
25 Cabot Square
London E14 4QZ

19 February 2024

Dear Jacqui

Transparency of fees charged by online rail ticket retailers

Thank you for your letter dated 11 December 2023 on the transparency of fees charged by online ticket retailers (the "**Letter**").

Trainline is the leading independent rail and coach travel platform selling rail and coach tickets to millions of travellers worldwide. Through our highly rated website and mobile app, people can seamlessly search, book and manage their journeys all in one place. We bring together millions of routes, fares and journey times from more than 270 rail and coach carriers across 40 countries. We help our customers find the best value fares for their journey and smart, real time travel information on the go. Our aim is to make rail and coach travel easier and more accessible, encouraging people to make more environmentally sustainable travel choices.

We have considered in detail the points and questions raised in the Letter and also the review published by the Office of Rail and Road ("**ORR**") on 11 December 2023 titled 'Review of the transparency of fees charged when purchasing rail tickets online' (the "**Report**").

During the process of formulating the proposed changes, we have had an open dialogue with ORR and have welcomed the opportunity to work together collaboratively. The agreed proposed changes will refine Trainline's approach to fee presentation in line with our mission to deliver the best value and ease of use. We remain happy to discuss the substance of our proposed changes if this is helpful.

At Appendix 1 to this letter, we set out in detail how Trainline is addressing the matters raised in the Letter and Report, responding in turn to each of the questions raised. Appendix 2 to this letter includes screenshots of the proposed changes to Trainline's app and website.

Yours sincerely

John Davies

VP, Industry Relations

Annex 1 and 2 redacted - commercially sensitive

Jacqui Russell
Head of Consumer Policy



John Davies
VP, Industry Relations, Trainline
[By email]

11 March 2024

Dear John,

Transparency of fees charged by online rail ticket retailers

Thank you for your response to our letter of 11 December 2023. In our letter, we identified questions with respect to the transparency of the service that Trainline provides for its customers and invited you to make changes in view of the concerns raised. I am now writing to acknowledge the positive steps that you have taken and the further steps that you have committed to take. These actions, when taken together, address our concerns.

Background

The consumer law framework aims to ensure that businesses are fair and open in their dealings with consumers. We published a report on the transparency of fees charged by online rail ticket retailers in December 2023. Our report and the underlying review were conducted under our powers to monitor, investigate and enforce compliance with this legal framework. In order to improve industry practice we looked at two specific areas, the presentation of fees during the booking process and information provision for customers about the terms and conditions of the service they are engaging.

Informed by the consumer law framework, we identified a set of core principles relating to the application of fees. These principles seek to reduce various risks consumers face when they are presented with particular commercial practices. For example, paying more for their purchase than they had expected to pay because of drip pricing; or paying fees that they have not made an informed decision to accept, as they were not aware of the charges up front.

When we published our report we, at the same time, wrote directly to those retailers where we had concerns in relation to their practices and the risk of harm being caused to consumers.

Consumer principle A: Booking fees

We asked why Trainline does not include the mandatory booking fee within the upfront price, and why the price breakdown does not give equal prominence to each of the charges being levied.

We acknowledge that you have implemented changes to your website so that, on the first search results page, consumers will see one overall price comprising the ticket price, booking fee (if applicable), and any other relevant pricing information. Immediately below the price, there is a link to a price breakdown and fees FAQ page. The total price and price breakdown are then available on all pages including the final payment page.

We understand that you are planning to implement further changes by June 2024 and September 2024. This includes the implementation of changes to your app to deliver a similar degree of transparency as your website but with some design differences to reflect the different interface. We acknowledge the additional technical complexities of delivering updates to your app, and so the longer implementation period needed.

We acknowledge that you are taking interim steps to improve price transparency on your app while you implement the full solution. We understand that you have added a banner at the top of the search results and ticket options page that states ‘fees may apply’. This banner remains at the top of the page as consumer scrolls down, and links to a fees FAQ page.

Consumer principle B: Fulfilment fees

We asked why Trainline did not immediately incorporate the fulfilment fee in the price displayed to the consumers once it was selected. We acknowledge that you have updated your website so that the total price is immediately updated. We note you do not offer any options that carry fulfilment fees for tickets purchased on your app, so no amendments were necessary.

Consumer principle C: Information provision

We asked why Trainline did not provide fuller information to consumers on how fees are calculated, why the information about fees was not easily accessible, and why you did not have clear information about fulfilment options and fees.

We acknowledge that you have already updated your fees FAQs page to clearly set out minimum and maximum booking fees that might apply, provide more information on how you determine whether a booking fee will apply, moved the fees FAQ higher in the search results, and added links to this within the booking process - on both the

website and app. We also note you have also updated all relevant FAQs on fulfilment fees.

Next steps

Trainline has taken steps to implement the actions necessary to address our concerns. We will monitor your progress in delivering your final actions. Please provide written updates to us by end June and end September 2024.

We would like to acknowledge and thank you for your constructive engagement throughout and for acting at pace to address the concerns we raised with you.

Yours sincerely

Jacqui Russell