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To all TOC MDs

Dear colleague,

Compliance monitoring and retail information

I am writing to you regarding compliance with retail information obligations, following the publication of the code of practice on retail information in March 2015.

We welcome the industry's positive engagement on the code over the course of the last year, the development of which the Department for Transport (DfT) asked us to oversee in its 2013 report on its fares and ticketing review.

I hope that the code, and the process of developing it, in particular the discussions we have had with operators via ATOC's commercial board, have provided a clearer picture of some of the obligations that exist outside of the franchise arena with regard to ticket information and ORR's role, as a consumer authority, in ensuring compliance with these.

As set out in the code, in addition to industry specific obligations, consumer law requires that companies provide consumers with the information they need to make informed decisions – for example, when choosing, buying and/or using a product or service.

It also requires that companies provide this information in such a way that consumers can understand it and take it into account when making decisions.

In its 2013 report, the DfT said that it believed that a code of practice was the most proportionate way of ensuring passenger trust in new self-service channels and in the railways as a whole. However, if it did not have the desired effect then ORR and DfT would need to consider other mechanisms to ensure that ticketing information is provided to the expected standard.

In this context we want to develop an approach to compliance monitoring that avoids a disproportionate burden on operators while ensuring that we have sufficient comfort that we have the evidence we need to assess performance, identify areas where improvement is required, and to address these.



We all know from previous research, including from Transport Focus and ourselves, that passengers have had problems both with the range of information that is provided to them, and the way in which information is presented. This applies not just when they are choosing and buying tickets but also when using them, for example information about compensation and refund rights when there are delays.

At best these problems undermine passengers' confidence and trust in the industry, at worse they have the potential to mislead consumers, causing them to spend more than they need and/or not to get the best from their ticket.

Such problems include, although are not limited to, the use of industry jargon and the functionality of Ticket Vending Machines (TVMs). For example, how are passengers supposed to know what route they can use when the information they are provided with simply says "Any permitted"? Likewise, "Time restrictions may apply" as a description of the restrictions that apply to Off-Peak tickets does not provide a passenger with sufficient information on which to base a decision.

Passengers also have trouble using TVMs, where it is not always clear whether they only sell a limited range of tickets and that cheaper appropriate tickets may be available elsewhere. Or indeed, that cheaper tickets appropriate to their journey may be available on the machine but are not presented with prominence, or sufficient information is not provided about them to enable the passenger to decide whether they are relevant.

We understand that some issues, such as those with underlying data and systems, may require co-ordinated action across the industry and we will also be discussing with RDG what it is taking forward to address these, including through its "five point plan".

We also recognise that there might not be simple solutions to some problems but we want to understand what individual operators have done, are doing, or intend to do, to ensure compliance with their obligations in this area. In particular, we want to know:

- What steps you have taken, or plan to take, in response to the finalisation of the code of practice to assess your own business processes and practices to ensure compliance with consumer law?
- What are the results of your assessment, what issues have you specifically identified and prioritised for improvement?
- What plans have you developed for addressing such issues and what is your timescale for delivering any necessary improvements?

Where you have already taken action, or are planning to do so, then, so long as there are appropriate timescales in place and we are reassured that the action identified will address any problems, we will focus on monitoring the delivery of the improvements.

We are very happy to engage with you to discuss how you have responded to the finalisation of the code and the clarity that it provides on your obligations to passengers under the requirements of consumer law.

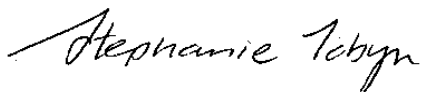
As already discussed at the with RDG ticketing and information sub-group, we would like publish a summary of the work that individual TOCs, and RDG, are taking forward, so as to provide some transparency and assurance around how ticketing information issues are being addressed.

I would appreciate your response to this letter, detailing the information set out above, by 19 June 2015. Please send responses to: ORR.RetailCode@orr.gsi.gov.uk.

If you have any questions or wish to discuss the content of this letter please do not hesitate to get in touch.

Copies of this letter are also going to David Mapp at ATOC, ATOC Commercial Board, Jeremy Hotchkiss at DfT, and Mike Hewitson at Transport Focus.

Yours sincerely



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