

ORR Consultation for a Code of Practice on Retail Information

Response of Arriva UK Trains

21 November 2014

Introduction

Arriva Group is the operator of three UK rail franchises, a joint venture partner in London Overground ('LOROL'), the operator of the Tyne & Wear Metro and the 'open access' operator of Grand Central. Arriva offers a unique perspective, as the only owning group to operate in the full range of market models that exist in UK rail, including 'open access', revenue-risk franchise, cap-and-collar franchise, devolved franchise and devolved concession. This response reflects the collective view of Arriva's UK train companies and we are happy for it to be published on the ORR's website.

We welcome this initiative from ORR in support of the work already done in this area by the train companies, DfT and Passenger Focus. Rail travel in Great Britain continues to grow strongly and passenger satisfaction with the railways in general and industry retailing in particular suggests that the vast majority of customers continue to be able to buy a ticket that suits their needs.

Nevertheless we agree that more can be done to improve information provision and ticket retailing; and in particular we strongly endorse ORR's drive to set out some key retail principles in plain and accessible language.

This submission supports and complements the submission to this consultation from the Association of Train Operating Companies (ATOC) and where appropriate, cross refers to that submission.

Comments on Section 1

We agree with the background to this consultation and the approach to the Code. In particular we strongly endorse para 1.17 of the consultation document, that recognises that sometimes 'less is more' in that not all information is relevant to all passengers or all channels all of time; and we must be conscious not to be overly prescriptive about what information should be provided. The needs of the customer must be paramount, and understanding and reflecting those needs (rather than relying on a prescriptive set of 'rules') must be our primary objective.

Comments on Section 2

We agree with the description of the way rail tickets are retailed currently. A couple of additional points we wish to make:

- In para 2.5, we would add that on-board retailing should be explicitly mentioned as it is a distinct channel in its own right and it does present TOCs with a particular set of challenges in terms of retailing and information provision.

- In para 2.6, a minor correction is that there are 3rd party retailers who do sell tickets through ticket offices; Chester-le-Street station being an example which hosts a privately owned and operated ticket office.
- In para 2.9, we think that the trends displayed are less to do with certain ticket types being associated with certain channels (e.g. Advance tickets can equally be purchased from ticket offices), and more to do with shifting and accelerating consumer trends away from traditional ‘bricks and mortar’ retail outlets towards online retailing.

Comments on Section 3

We believe that the consultation document accurately sets out the information required by customers. However, as mentioned above in relation to on-board retailing, there are a number of challenges with providing the totality of this information through some retail channels, and mitigations need to be considered to address some of the practical constraints that exist.

We would also wish to highlight again the particular challenges that retailing on-board brings to train operators. One area in particular that the consultation document fails to address is the practice among TOCs of only retailing a limited range of tickets on-board where the customers has had the opportunity to buy a ticket before boarding. For revenue protection reasons, it is in the interests of TOCs to encourage customers to buy their tickets before boarding the train so that they can access the full range of products available. Should customers choose not to take up this opportunity, we believe it is important that TOCs retain the ability to only retail a limited range of tickets on-board; for example only full fare single tickets. Clearly discretion needs to be exercised by train operators in such circumstances, for example where ticket retailing facilities do exist at the passenger’s origin station but passengers have been unable to use them for whatever reason (e.g. TVM out of order), but nevertheless the limitations of on-board retailing and the revenue risks from encouraging passengers to board trains without a ticket makes such partial retailing flexibility necessary.

- **Question 1** – we have nothing to add to the ATOC submission.
- **Question 2** – in support of the ATOC submission, we agree that partiality is an important area to be addressed. However in the absence of any changes to the current situation, we believe the key to this issue is that the extent to which a retailer is impartial or partial should be communicated to customers.
- **Question 3** – we support the ATOC submission in that there are a number of circumstances where it is neither possible, practical nor indeed desirable to provide the information described at every point of sale, particularly on-board and TVMs which are often intended to facilitate rapid, ‘queue-busting’ ticket sales rather than in-depth information provision.
- **Question 4** – we support the ATOC submission but would add a note of caution to the desire to label TVMs with what they do and don’t sell. We would discourage a prescriptive approach here as TVMs vary greatly in terms of the roles they fulfil and services they provide, depending upon local market and operational requirements.

Comments on Section 4

We support ATOC in welcoming the proposal for a ‘principle’ based Code. In addition, in para 4.6, we think a distinction should be drawn between how and when information is “provided” and how and when it is ‘available’. In most circumstances it is necessary that the information is available to be provided upon request, as opposed to the requirement to provide the information irrespective of whether it has been requested or is required.

In para 4.16, we would challenge the proposed requirement to “make clear” that retailers will only offer the cheapest/most appropriate ticket for the journey described and not search out potentially cheaper combinations of tickets unless asked to do so. We would argue that under CPRs this is not “material information” in that combinations of tickets where a change of train and/or operator is not involved are anomalous in that they are the unintended consequence of a combination of market pricing and fares regulation. In market terms this is a serious and material distortion and so it would be inappropriate to insist that retailers treat these anomalies as material to customers purchasing decisions.

- **Question 5** – we have nothing to add to the ATOC submission.
- **Question 6** – we have nothing to add to the ATOC submission.
- **Question 7** – we have highlighted the relevant issues earlier in this response. In particular we have concerns about the applicability of some of the principles to TVMs and on-board retailing in particular, but we are keen to work with ORR to find practical solutions to the limitations and issues described.
- **Question 8** – we have nothing to add to the ATOC submission.