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**Secretariat memorandum**

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**Train Operating Companies – Compensation schemes qualitative research**

**1 Purpose of report**

- 1.1. To discuss the outcome of research commissioned by London TravelWatch, jointly with Passenger Focus and First group (in January 2011) into the effectiveness and acceptability of current passenger compensation schemes and how these could be improved .

**2 Recommendation**

- 2.1. Members are recommended to note this report. The full text of the findings from Outlook Research is attached as appendix A.

**3 Main findings of the research**

- 3.1. There is frequent confusion and misunderstanding in terms of eligibility and entitlement among passengers who anticipate schemes will be biased in favour of Train Operating Companies (TOCs). This is exacerbated by expectations and experiences of cumbersome processes that can represent a disincentive to claim.
- 3.2. Across all user groups, the traditional Charter scheme was felt to penalise those who are most likely to need to make claims for compensation, i.e. commuters who are season ticket holders.
- 3.3. The Delay Repay model was felt to be a fairer and more generous system for the majority of rail users.
- 3.4. There is clear evidence from the research to suggest that the current schemes are perceived to be unfair, particularly in respect of the traditional Charter arrangements.
- 3.5. As a longer term objective, the system would benefit from innovation that would make claims processes more streamlined, ideally with elements of automation.

**4 Recommendations for improvement by the rail industry**

- 4.1 This research indicates that the following should be considered by the rail industry:
- Increase the overall passenger awareness of compensation schemes
  - Be more transparent about eligibility criteria

- Be more proactive in communicating compensation entitlement directly to those passengers caught up in significant delays
- Standardise compensation arrangements across the industry based on the Delay Repay model
- Make the claims process as easy as possible, working towards automating the actual payment element
- Phase out paper vouchers in favour of compensation by the original method of purchase (e.g. if you paid by card a credit would go back to that card) or an e-voucher that can be used for subsequent online ticket purchases. In London this would also include the ability to pay compensation back to an Oyster card.

4.2 In addition in relation to the Department for Transport, and other bodies such as Transport for London that franchise or commission services, it is recommended that the results of this research are adopted in the specifications issued for rail franchises and concessions.

## **5 Equalities and inclusion implications**

5.1. The research had six respondents with three different types of disability take part. It was found that these individual users had often had difficulties in relation to Assisted Passenger Reservation System (APRS). This has been subject to some previous research by Passenger Focus. However, it is noteworthy that for passengers with disabilities the impact of delays and disruption to their journey can be significantly greater than for able bodied passenger and so compensation should reflect this.

## **6 Legal powers**

6.1. Section 248 of the Greater London Authority Act 1999 places upon London TravelWatch (as the London Transport Users Committee) a duty to consider - and where it appears to the Committee to be desirable, to make recommendations with respect to - any matter affecting the functions of the Greater London Authority or Transport for London which relate to transport (other than of freight). Section 252A of the same Act (as amended by Schedule 6 of the Railways Act 2005) places a similar duty upon the Committee to keep under review matters affecting the interests of the public in relation to railway passenger and station services provided wholly or partly within the London railway area, and to make representations about them to such persons as it thinks appropriate.

## **7 Financial implications**

7.1. There are no financial implications for London TravelWatch arising from this report.

TOC Compensation Schemes  
Qualitative Research  
Report of Findings

**Prepared for:**

Passenger Focus  
and  
First Group  
London TravelWatch

**Date:** April 2011

## Foreward by First Group

First Group approached Passenger Focus and London TravelWatch in 2010 to ask if they were interested in carrying out a piece of joint research into customer's attitudes to compensation. As the leading operator of train services in the UK, with a diverse portfolio of train companies, we wanted to find out what customers thought of the current compensation arrangements and explore what they wanted going forward. We were considering our strategy for future franchises and realised that we did not really understand what customers thought of the current arrangements. We wanted to go beyond anecdotal feedback and research customer needs. Delay Repay has been running for five years, so we felt it was time for a review. What did customers really think of it – or did they still prefer the traditional Charter arrangements? And what could we do with emerging technology to improve the customer experience of claiming compensation?

## Foreward by Passenger Focus and London TravelWatch

When consumers buy something and it does not work, or is poorer quality than it should be, they usually expect it to be repaired or replaced, to get their money back or to be compensated in some way. A poor quality railway journey is no different. This research, undertaken jointly with FirstGroup, examines passengers' attitudes to compensation regimes currently used by Britain's train operators, and explores passengers' expectations and desired improvements. It looks at whether recompense should be driven primarily by whether a passenger is delayed, as at present, or if failure to deliver 'softer' elements of the service, or the wider consequences of delay (e.g. a missed flight or theatre performance) should attract compensation. The research also examines passengers' views about the mechanics of the claims process, including the format of any compensation provided.

The headline findings from this research are:

- That passengers indicated a strong preference for the 'delay repay' style of compensation scheme over the traditional Charter model. Delay repay was felt to be fairer and more transparent, although it was noted that it does not compensate for delays under 30 minutes, however frequently they are experienced.
- That passengers' current understanding of their entitlement to compensation when trains are delayed is low, even among those who had previously claimed.
- That passengers believe train companies should do more to communicate entitlement to compensation, including directly targeting affected passengers (e.g. by making announcements on a delayed train or by handing out claim forms at the barrier as people leave the station).
- That passengers need the process of submitting a claim to be as straightforward as possible, in order that if they have been delayed they are not put off claiming by a cumbersome, time-consuming process.

- That passengers, for reasons of practicality and principle, dislike paper vouchers and favour a refund in the same format as they paid for their ticket (e.g. back to their credit card or bank account) or an electronic credit that can be used to pay for future travel (e.g. to the passenger's account on the train company's website or to a smartcard).

In summary, passengers' expectations from a compensation regime appear reasonable and should not be difficult for the rail industry to meet. In any case, forthcoming European regulations will prompt a move away from excluding incidents deemed outside the train company's control and the 'voucher only' means of compensation most currently use.

Passenger Focus and London TravelWatch call on First Group, the Department for Transport and the wider rail industry to seek to meet passengers' expectations in this area as they develop specifications and bids for new passenger franchises.

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# Management Summary

Research was conducted to explore whether a 'best fit' for all passengers can be achieved by either of the existing compensation schemes (the traditional Charter scheme and the newer Delay Repay scheme) or whether a new alternative needs to be designed. The research also provides an overview of passenger preferences in terms of the communication of schemes, the process of claiming and the format of compensation.

**8 discussion groups** (90 minutes each) were conducted among different user groups (commuters, business users and leisure users) and across a number of Train Operating Companies (TOCs). The research was conducted in January 2011 and findings were presented in February 2011.

The key findings are:

1. There is frequent confusion and misunderstanding in terms of eligibility and entitlement among passengers who anticipate schemes will be biased in favour of TOCs. This is exacerbated by expectations and experiences of cumbersome processes that can represent a disincentive to claim.
2. Across all user groups, the traditional Charter scheme was felt to penalise those who are most likely to need to make claims for compensation, i.e. commuters who are season ticket holders.
3. The Delay Repay model was felt to be a fairer and more generous system for the majority of rail users.
4. There is clear evidence from the research to suggest that the current schemes are perceived to be unfair, particularly in respect of the traditional Charter arrangements.
5. As a longer term objective, the system would benefit from innovation that would make claims processes more streamlined, ideally with elements of automation.

## **Suggested improvements**

**This research indicates that the following should be considered by the rail industry:**

- 1. Increase the overall passenger awareness of compensation schemes**
- 2. Be more transparent about eligibility criteria**
- 3. Be more proactive in communicating compensation entitlement directly to those passengers caught up in significant delays**
- 4. Standardise compensation arrangements across the industry based on the Delay Repay model**
- 5. Make the claims process as easy as possible, working towards automating the actual payment element**
- 6. Phase out paper vouchers in favour of compensation by the original method of purchase (e.g. if you paid by card a credit would go back to that card) or an e-voucher that can be used for subsequent online ticket purchases**



# 1. Research Context & Objectives

## 1.1 Context and Background

First Group approached Passenger Focus to conduct a joint project to understand passenger attitudes to existing compensation schemes offered by Train Operating Companies (TOCs). The research explores the views of both season ticket holders (predominantly commuters) and those who purchase individual tickets (business and leisure users), and explores the strengths and weaknesses of, and potential improvements to the current schemes.

The various TOCs currently use different schemes or combinations of schemes to compensate passengers for delays. Some have the traditional Charter compensation scheme that provides season ticket holders (monthly or annual) a discount at the time of renewal, if average performance has been below a predetermined threshold over the preceding 12 months. The compensation for daily and weekly ticket holders is minimal, and based on the National Rail Conditions of Carriage. Other TOCs have implemented the new Delay Repay scheme, where all passengers are eligible for compensation if delayed more than a set time regardless of their type of ticket. This research explores whether a 'best fit' for all passengers can be achieved by either of the existing schemes or whether something new needs to be designed. The research also provides an understanding of passenger preferences in terms of the compensation claim channel (online, paper based etc.), compensation format (vouchers, cash refund etc.) as well as communication of the scheme and the process of claiming. Research was conducted among commuters, business travellers and leisure passengers travelling with different TOCs.

Passenger Focus and London TravelWatch will use the findings to inform future franchise submissions and industry consultations on Passenger's Charters and the Conditions of Carriage. The research will ultimately help both organisations to ensure the best deal is achieved for passengers who experience disruption to their journeys. First Group will use the findings in the context of considering future franchise bids and in a review of the existing compensation offered by the five TOCs they operate.

## Overview of the Traditional Charter Scheme

### Daily and Weekly Tickets

Under the National Rail Conditions of Carriage (and adopted by the traditional charter scheme), entitlement to compensation for daily and weekly tickets is triggered if a passenger arrives more than one hour late at his/her destination station, measured in terms of delay to the passenger and not necessarily the train. For instance, a train may have been delayed by only 15 minutes, but if this causes the passenger to miss a connection and results in him/her being over an hour late at their destination station then compensation is due.

The minimum level of compensation a passenger is entitled to in these circumstances is 20% of the fare paid for the leg of the journey that was delayed. Compensation is normally paid in travel vouchers, which can be used to buy tickets for any journey on the National Rail network and are typically valid for 12 months. Any claim must be made to a TOC within 28 days of completing the journey and the train company will generally require proof of purchase, usually the ticket itself.

However, the National Rail Conditions of Carriage allow a train company to exclude liability if the delay was caused by certain events deemed outside the control of the rail industry. If a passenger's delay was due to one of these the train company can refuse compensation.

### Monthly and Annual Season Tickets

There is no automatic entitlement to compensation for individual delays for monthly and annual season tickets holders. TOCs may offer discretionary payments, but are not obliged to do so. Instead, compensation is generally based on average performance over the previous 12 months. If average performance for either punctuality or cancellations falls below a 'trigger' level, compensation is automatically offered. This is in the form of a discount on the price of the passenger's next season ticket rather than a 'cash' payment. If the passenger does not renew within 28 days of their old ticket expiring and if they do not renew on a like-for-like basis (i.e. between the same origin and destination stations) they generally lose their entitlement to the discount.

TOCs set different 'trigger' levels in consultation with the Department for Transport. Most are based on Passenger's Charter 'service groups', which comprise groups of services or lines within a train company. Some companies just have one Charter group while others have two or more. Performance targets are set for punctuality and reliability for each service group. Performance is calculated every four weeks and then the previous 13 periods are added together to form an average for the past year (known as the

Moving Annual Average (MAA). When passengers renew their tickets, if the MAA for punctuality or reliability is below a certain trigger level, a 5% discount is automatically given on the cost of their new ticket. If both are below the trigger thresholds then 10% is given.

## **Overview of the Newer Delay Repay Schemes**

### **Daily and Weekly Tickets**

Recent franchises awarded by the Department for Transport have specified a compensation regime common to all ticket holders. This is called 'Delay Repay' and typically offers compensation of at least:

- 50% of the cost of a single ticket or at least 50% of the cost of either portion of a return ticket for delays of 30 to 59 minutes.
- 100% of the cost of a single ticket or at least 100% of the cost of either portion of a return ticket for delays over 60 minutes.

Delay Repay schemes typically have no exclusions for causes normally deemed outside the control of the industry.

### **Monthly and Annual Season Tickets**

Under Delay Repay season ticket holders may claim for individual delays in exactly the same way as non-season ticket holders, but the traditional 5% or 10% discount on renewal does not apply in the event of poor average performance over the preceding year. The amount season tickets holders receive for each delay is based on a pro rata calculation of how much they pay for each journey. This is based on the price of the ticket, route validity and how many days it is valid.

## 1.2 Research Objectives

The overall objectives of this research were:

1. To assess levels of passenger awareness of compensation entitlement for delays and cancellations
2. To determine whether the nature and level of compensation offered by TOCs meet passenger expectations
3. To establish what passengers feel they should be compensated for
4. To help define reasonable parameters for train lateness claims and circumstances in which TOCs would not be liable for delays
5. To determine passenger preferences regarding compensation payment format
6. To provide guidance on what would constitute best practice in terms of the compensation claims process and TOC response
7. To assess how journey length impacts on attitudes towards compensation entitlement and processes
8. To determine what information passengers expect TOCs to provide about delays when making compensation claims
9. To identify any differences in views between commuters, business users and leisure users

## 2. Methodology & Sample

Qualitative research comprising focus groups and individual depth interviews was conducted to meet the research objectives. The sample was constructed to represent passengers travelling primarily as commuters or for business or leisure purposes.

Fieldwork was conducted in London, Manchester, Bristol and Cambridge in January 2011. Full details of the sample structure are outlined below:

**Eight discussion groups**, each lasting approximately 90 minutes as follows:

- **Commuters – Southern and Southeastern (London)**
- **Commuters – C2C and National Express East Anglia (London)**
- **Commuters – First TransPennine Express and Northern (Manchester)**
- **Business – First Capital Connect (Cambridge)**
- **Business – Virgin Trains and East Coast (London)**
- **Leisure – First Great Western (Bristol)**
- **Leisure – South West Trains and London Overground (London)**
- **Leisure – First TransPennine Express and Virgin Trains (Manchester)**

**Six depth interviews** (60 minutes each) among the following respondent types:

**Depth 1:** Respondent with impaired vision and hearing (Bristol to London for business twice a week)

**Depth 2:** Blind (South East London to central London for business two or three times a week and longer distance journeys every few months for leisure)

**Depth 3:** Wheelchair user (London to Bristol, Hertfordshire or Kent for business at least once a week)

**Depth 4:** Wheelchair user (Marlow to Maidenhead for leisure twice a month)

**Depth 5:** Respondent with impaired hearing (Various leisure journeys including West Hampstead to Brighton, Liverpool Street to Saxmundham, Paddington to Western-Super-Mare and Waterloo to Bournemouth)

**Depth 6:** Respondent with impaired hearing and wheelchair user (Bristol to London, Oxford or Reading a couple of times per year)

**Recruitment criteria:**

- A mix of both sexes across the sample
- A representation of age groups and lifestages as appropriate to each of the passenger categories e.g. mothers with (pre) school age children, students, retired/grandparents etc
- A mix of social grades to reflect the profile of the local population and rail user groups (e.g. BC1; C2D)
- All were paying for journeys made. All rail concessions were excluded
- All had responsibility for booking / purchasing travel tickets (none had this done for them through their business or Travel Agent)
- Each group contained at least two passengers who had made a complaint to a TOC in the last six months
- A representation of six passengers with disabilities (two with vision impairments, two with learning difficulties and two wheelchair users)

Standard industry exclusions were applied to ensure that the research did not include any respondents who work in market research, marketing, advertising, journalism or anyone who works within the rail industry or public transport.

## 3. Main Findings

### 3.1 Compensation Journey and Format

#### 3.1.1 Awareness

Overall, the vast majority of respondents were unaware of the existence of compensation schemes at a general level. Those who were aware usually had TOC-specific knowledge based on personal experience of claiming. Regular rail users who had experienced delays (but had not claimed) had, at best, latent awareness of compensation entitlement. Respondents also assumed that the length of the delay they would need to experience before being eligible to submit a claim would need to be significant (at least an hour and some cases two).

*“I made a claim and eventually got compensation but I have never been through such a long-winded process in my life to get money back.”*  
*[Commuter, London]*

For some (particularly leisure travellers), talking about delays was emotive, especially when the delay had personal ramifications, for example a missed leisure or family event or taking time away from a weekend break. A number claimed to have considered making a claim in the heat of the moment but then decided not to do so, citing perceptions that the process would be complex and time consuming and a high expectation of refusal.

*“If I’m ten minutes late for work, or even a bit more, that’s not a big deal to me. It’s when I’m using the train to go to Scotland for the weekend and the delay is eating into my leisure time that I get annoyed, that’s when I get really bothered about delays.”*  
*[Leisure User, Manchester]*

It should be noted that passengers who had made a compensation claim were over-represented in this sample and they may have experienced a higher number of significant delays than a random sample of train users. Although claimants were also more knowledgeable about compensation schemes, most knew little beyond the details that were specific to their circumstances.

Overall, there was consistent evidence to suggest that a knowledge and awareness gap currently exists that prevents some passengers who would be entitled to claim compensation from doing so.

*“I think with delays you sometimes just put up with it. I have thought about complaining, but I don’t really know what to do other than phoning Customer Services but that’s like talking to a brick wall and just a waste of time, so I think you just get on with it.”*

*[Commuter, Manchester]*

### 3.1.2 Eligibility

Understanding of eligibility for compensation claims was largely restricted to those who had made a claim. Others had virtually no knowledge of the eligibility criteria. Non-claimants assumed that compensation would be related to the length of the delay but found eligibility difficult to define in absolute terms with any degree of certainty. There was also an expectation that rules would be applied inconsistently across different TOCs, adding further confusion to what many anticipated to be an already complex area.

*“To get anything, I would have thought you would have needed to have been delayed for at least a couple of hours.”*

*[Leisure User, Bristol]*

A common assumption across the sample was that compensation schemes would be biased in the favour of the TOCs. Respondents believed performance-related information would be distorted by data averaging and cancelled trains not counting as delayed so that poor performance on specific routes would be ‘hidden’. It was also assumed that regular users would be the most heavily penalised (to avoid TOCs paying out large amounts of compensation). These perceptions contributed further to the perception that it would be unlikely to be worth the hassle and the time taken to make a claim.

*“I can’t claim as a season ticket holder unless they don’t reach their target and surprise surprise they always meet their target, but only just, so there’s no compensation.”*

*[Commuter, London]*

*“Cancellations don’t count as delays apparently. They just make up the rules as they go along to suit themselves.”*

*[Commuter, London]*

As a potential improvement, respondents felt that eligibility criteria should be more transparent and that any compensation offered should be applied consistently and equally to all users. Daily users were felt to be the most likely to be severely affected by delays, but the least likely to receive any form of



compensation. Even non-commuters agreed that schemes should be designed around the needs of the most regular users who would be treated as loyal customers in other industries. Additionally, respondents felt consistency and simplification would be a welcome enhancement to TOC compensation schemes, especially in relation to claims processes.

*“They make it so difficult for you to claim in the first place. It’s almost as if they treat you as if you are guilty of something if you make a claim.”*  
[Commuter, London]

*“I understand how it works but I don’t agree with it, I think it’s ridiculous.”*  
[Commuter, London]

### 3.1.3 Information Provision

There are significant gaps in the provision of information related to applying for and gaining compensation and an opportunity exists for TOCs to reduce passenger cynicism by addressing this issue. As it stands, passengers have little idea of how to make a claim until they have occasion to do so. Some mentioned difficulties experienced when searching TOC websites for information about compensation as a further disincentive to make a claim.

*“You don’t see leaflets or claim forms as hard copies on the railway like you do for the underground, you have to go online to download them.”*  
[Commuter, London]

*“It’s very poorly publicised because no one wants to give money away, it’s endemic throughout the system.”*  
[Commuter, London]

There was low awareness of communications referencing compensation schemes in stations or on trains. One or two who had seen performance posters felt their purpose was to absolve TOCs of their responsibility to pay claims for compensation! There was some evidence of word of mouth communication, mainly from commuters, and one respondent described a website set up by a National Express East Anglia commuter ([www.delay-repay.com](http://www.delay-repay.com)) to encourage and make it easier for passengers to apply for compensation.

*“I’ve seen posters saying things like ‘94% of services run on time’ so I’ve always assumed I wouldn’t be able to make a claim.”*  
[Business User, London]

Some felt TOCs should be more forthcoming with information and proactively communicate schemes. In this respect, an awareness campaign supported by activity specifically targeted around delayed trains was expected to be beneficial to passengers.

Respondents highlighted a number of opportunities for TOCs to demonstrate transparency and sincerity to passengers by being more open about compensation schemes. Posters and leaflets would be an effective starting point, with announcements about the relevant compensation scheme becoming standard on all delayed trains. Although not recognised by any respondents, the First Capital Connect ticket-sized claim information cards were well received (when shown in the groups) as a mechanism that could be handed-out by staff on delayed services. Additional improvements suggested to streamline the provision of information included staff available to meet delayed trains to provide compensation information, and clearer signposting to claims information and forms on TOC websites.

*“They could put the information on the back of the ticket, or have staff at the station giving out a leaflet making reference to going on the website to fill out the form.”*

*[Leisure User, Manchester]*

### 3.1.4 Application Channel

Four application channels were discussed in the groups; online, post, face to face and telephone. There was universal agreement that the application channel used should in no way affect the amount of compensation received. The suggestion that online applications receive higher levels of compensation than paper-based applications (on the grounds of being cheaper for TOCs to administer) was considered unacceptable.

#### Online

The facility to apply for compensation online via a standard form on the TOCs website was the default option for most. This was generally expected to be the quickest and most mutually beneficial way of making a claim, partly because it was assumed to allow straightforward corroboration of claims with train delay information held by the TOC. Respondents also anticipated the additional advantage of being able to create an online account, which would store basic information (name, address, most regular journeys etc.) to minimise the time needed to apply for any future compensation claims.

One possible problem highlighted was knowing which website to use in the event of being unsure which TOC was the cause of a delay. For example, when travelling with one TOC but delayed by another TOC's service passengers would be confused about where to submit.

### **Face to Face**

No respondents expected an instant, face-to-face resolution of compensation claims. Respondents mostly expected face-to-face contact to be the first stage of the process for information provision and to be pointed in the right direction to claim. Many felt that this was an opportunity for TOCs to demonstrate effective customer service, allowing customers to complain verbally, but having sufficient information at their disposal to enable customers to feel sufficiently empowered to make a claim.

*"The online process that First Capital Connect have is straightforward, you get a bog standard response, then receive a voucher and I think it also stores your details for next time."  
[Business User, Cambridge]*

### **By Post**

All expected to have easy access to the relevant claim application form either on the train or at the station. The concept of applying for compensation by post therefore exacerbated negative perceptions of a process they expected to be lengthy and cumbersome. Most agreed they would use this channel only if no other option was available, although post had slightly more appeal among some older respondents who were more comfortable with a paper-based route than using the internet.

### **Telephone**

For most, contact with the TOC over the phone was expected to come later in the process, for example, if they needed to chase an outstanding claim. There was little interest in using this channel to make the initial claim. There was minority interest from a few leisure passengers who felt it was more personal than applying online or by post and was an acceptable compromise if a face-to-face option was not available. Understandably, some expressed a preference for the facility to voice dissatisfaction about delays to a member of staff and have the reassurance that their claim for compensation had been registered.

*“If I can’t speak to someone face to face I would like the option to phone, I want to know I have been understood and my frustration has been acknowledged.”*  
*[Leisure User, Bristol]*

### 3.1.5 Process Driven Communication

Respondents expressed clear views that communications around the claims handling process should be kept to a minimum. Generally, passengers’ requirements were functional only and most did not wish to be given lengthy explanations for a specific delay or incident or an update on how the claim was progressing.

A straightforward and uniform process was identified as preferable across the groups:

- An explanation and apology received at the time of the delay
- Advice that they were entitled to claim and how to do it
- Immediate acknowledgement of the claim from the TOC in a standard format
- Provision of a reference number with contact details of whom to contact if they do not hear within a set time period
- Explanation of process and the timeframe for resolution (28 days is acceptable from the point when the claim is submitted to when compensation is received)
- Compensation received along with a brief standard apology, or,
- An explanation of why compensation has not been provided, with an apology and what the passenger should do if not satisfied with the response, along with the relevant contact details.

Overall, the only requirement for further communication is if the TOC is not able to adhere to the template suggested above.

*“I think compensation should be received in around 30 days, but before that I want some kind of acknowledgement on time scale. This shows me that I am being valued as a customer and taken seriously. ”*  
*[Leisure User, Bristol]*

*“I suppose the explanation of delay if it was given when they sent the compensation is a nice to have, but it’s really not essential to have it after the delay. ”*  
*[Leisure User, Manchester]*

*“If I make a claim I don’t want endless apologies and excuses, I just want a one-liner and to know if I am getting any money back.”*  
*[Commuter, London]*

### 3.1.6 Delays outside the rail industry’s control

A number of potential exclusions were explored with respondents and three groupings emerged; generally acceptable exclusions, those that are unlikely to be tolerated and those that were considered completely unacceptable.

There was strong agreement that there are certain circumstances in which a **claim for compensation would be unreasonable** as follows:

#### **Suicides and Accidents**

Accidents involving individuals on the railway or suicides were often spontaneously mentioned as an example of circumstances that TOCs had virtually no control over. Even though such cases tend to result in considerable delay, all agreed that they should be excluded from compensation claims. However, some voiced concern that TOCs might use this ‘excuse’ as an easy opt-out to explain delays that were really caused by circumstances more within their control.

*“Sometimes there are unavoidable delays, that the train companies cannot really do anything about. I was on a train once and a woman was stretchered off because she was really ill.”*  
*[Commuter, Manchester]*

#### **Terrorism**

Terrorism was also raised spontaneously in some groups as a fair exclusion (perhaps because currently, it is a highly topical concern). Most felt it is in passenger’s interests to work with TOCs in this area, and claims for compensation due to delays resulting from suspect packages, for example, would be unreasonable. Safety was the key issue and most would expect and want TOCs to suspend services in such circumstances if necessary.

## Vandalism

Vandalism provoked a different response. TOCs were regarded as responsible for stopping all but the most extreme incidences of vandalism. Most deemed it the TOCs responsibility to stop individuals from accessing railway tracks and / or property and clearing debris on the line that had been placed there by vandals.

*“Terrorism is fine to exclude as they have no control over this and there is no warning. Vandalism is a bit more difficult, they should put things in place to deal with this.”*

*[Commuter, Manchester]*

## Police Suspension

The intervention of emergency services suggested a serious problem to respondents and they felt that the TOC would have no choice but to suspend services in such situations. Respondents felt that passenger safety should always be the key priority and none were prepared to compromise in this area.

*“No one will want their safety to be compromised. You don’t want them to run the train if there’s a risk that you won’t arrive in one piece.”*

*[Leisure User, London]*

**A number of potential exclusions were considered debateable** and although respondents were occasionally sceptical, it is likely they will give the TOCs the benefit of the doubt when passenger safety is an issue:

## Riots and Civil Commotion

Unlike some of the other exclusions this was an area that usually had not occurred to respondents before attending the research. They felt that exclusion could be a matter of interpretation. For example, if there was a civil commotion on a train (topical due to the recent student protests), many felt that the TOC should have sufficient measures in place to deal with this.

Riots were considered to be very rare occurrences and therefore most respondents found scenarios difficult to consider in the context of delays to trains. However, the key arbiter in such situations was again felt to be passenger safety in terms of whether it would be reasonable to claim compensation because of delays for this reason.

*“That’s the sort of thing that only happens once in a blue moon so you would just accept it and support their decision.”*  
*[Commuter, London]*

## Weather

The problems with snow in December 2010 provided respondents with a recent context within which to evaluate the extent to which they felt delays as a result of bad weather should be excluded from compensation claims. Although it was accepted that the weather was beyond the control of the TOCs, reasonable measures to mitigate the effects were considered to be within their control. Respondents felt the main issue is drawing a line between bad weather the TOC should be able to cope with and weather severe enough to prevent or delay services. There was a general expectation that TOCs should be doing everything possible to run services in poor weather conditions as long as passenger safety would not be compromised.

A key concern was that TOCs should not be able to use bad weather as an ‘excuse’ and there were a number of comments about ‘leaves on the line’, and the ‘wrong kind of rain’ etc. as being unacceptable explanations for compensation claims not to be met.

*“They should have contingencies in place. Why do things always fall apart when it snows?”*  
*[Commuter, London]*

*“It’s not about punishing them, you just want the system to be fair if you have paid money in advance in good faith to receive a service.”*  
*[Commuter, London]*

## Gas Leaks or Fires

Nobody in the sample had personal experience of train disruption due to gas leaks or fires, so evaluation was at a theoretical level only. There was general acceptance that if the incident was beyond the TOC’s control and it represented a safety risk, then this would constitute an acceptable exclusion. Respondents acknowledged that in most instances they would have no way of knowing whether the TOC was liable for the event that resulted in a delay.

*“It’s not their fault if there’s a fire in someone else’s building so I wouldn’t expect to claim for that.”*  
*[Leisure User, London]*

Finally, there were areas where respondents felt **they had a legitimate claim** for compensation and would expect it to be honoured in all cases by the TOC:

### **Lack of Drivers**

Discussion around lack of drivers and whether this was acceptable to exclude from compensation claims elicited very negative feelings among passengers, especially those who felt they experienced it regularly. All regarded this as unacceptable and would expect to receive compensation for a delay resulting from a lack of drivers.

*“It is in their hands to make sure they get temporary drivers, so we should be compensated if this doesn’t happen.”*

*[Leisure User, Bristol]*

### **Strike Action**

Due to recent industrial action (particularly in the London groups with the recent strikes on London Underground) sympathy was low. This is an emotive area and it was clear that respondents would expect to be receiving compensation for any delays to services as a result of strike action.

It was also thought incumbent on TOCs to effectively communicate forthcoming strikes so that passengers can make alternative arrangements if necessary. The issue of whether compensation could be claimed if replacement coaches were provided was a moot point across the sample.

*“I think we should be compensated for strike action if we were not warned and turned up expecting to get on a train. I don’t think strikes go down well at the moment in this kind of economic climate.”*

*[Business User, Cambridge]*

*“I would claim from BA if I couldn’t fly because they were on strike.”*

*[Business User, London]*

### **Mechanical or Electrical Failure on Trains**

Mechanical or electrical failures on trains were interpreted as being the responsibility of the TOC and therefore not an acceptable exclusion. The only exception would be if the incident was clearly beyond the control of the TOC and that this could be clearly demonstrated.



*“This is really related to the maintenance of trains, it is their fault if there are delays as things should be picked up quickly. There should be contingency plans, replacement buses and engineers that can come out quickly.”*  
*[Business User, Cambridge]*

## **Cancellations**

Respondents felt that compensation should be payable to passengers when a cancellation causes a significant delay to their journey but were unclear whether or not this was an entitlement under the current regimes. It was acknowledged that the impact of a cancellation on passengers would vary depending on the frequency of the service (i.e. minimal impact on a high frequency route probably not requiring compensation, major impact on a low frequency route probably requiring compensation). The confusion among respondents over this issue suggests that the fact compensation is based on how late a passenger is at their destination, whether the cause was cancellation or a late running train, needs to be made clearer to passengers.

### **3.1.7 Non-Delay Issues**

Respondents discussed a number of potential non delay-related issues and whether or not passengers expect to be able to claim compensation for these.

#### **Consequential Loss**

This primarily relates to missed appointments (business meetings, flights, events, personal commitments etc.) as a result of a delayed train. Although the emotive nature of missing such appointments caused some, in theory, to feel they should be compensated for any loss, in reality, the majority adopted a pragmatic view.

If the TOC was to admit liability for such events, respondents questioned where the line would be drawn and where passengers' expectations would end. Respondents felt that if TOCs were to go down this route, passengers would inevitably end up paying for compensation claims through fare increases.

All would expect compensation for the delayed train and most felt an additional token gesture of apology would be appropriate in certain circumstances.

*"I don't think I would expect more than just my ticket price back. I think with these things you just have to take it on the chin, there's a lot of potential for fraud too."*

*[Commuter, Manchester]*

*"I once was late for a job interview because of a delayed train. I didn't get the job, it might have been because I was late, it might not. It was the train company's fault, but I don't know how I could prove or quantify that."*

*[Business User, Cambridge]*

### **Facilities Unavailable**

The lack of refreshment and/or toilet facilities can be distressing for passengers, particularly on long journeys. This is especially true for those travelling with young children and disabled passengers (see section 3.3). When evaluated at an emotional level, most wanted and expected compensation to be paid. However, when considered in more depth, respondents felt that it would be difficult for TOCs to put transparent and fair arrangements in place. Would everybody be eligible for the same compensation even if they did not wish to buy refreshments, for example? Furthermore, most of these 'extras' are not explicitly purchased as part of the ticket price (although there was an expectation that toilet facilities be provided without charge) so respondents did not feel that compensation was appropriate if they were not provided.

*"If you need to use the toilet on a train and can't, getting a cheque for £10 two weeks later would be meaningless."*

*[Business User, London]*

There was some difference in views between the different user groups. Leisure customers were considerably less forgiving of trains lacking in facilities and described how, for them, the train journey was part of the leisure experience, particularly if travelling by train as part of a weekend break. Commuters were more indifferent, using the train to get from home to work, they did not tend to use or need the facilities even if provided.

*"I was on a long journey with a toddler and the toilet was blocked. It was really difficult to change him; in fact I couldn't because there just weren't the facilities. I would never take the risk again."*

*[Leisure User, Bristol]*

## Misinformation

A couple of respondents mentioned that they had been given incorrect information. This included being told the incorrect platform for a train and consequently missing it. One respondent had been sold an incorrect ticket and had to pay a penalty fare on the train. All agreed that in such instances, compensation should be provided.

## Injury

If a passenger was injured while on a train or at the station, most expected that any claim for compensation would be upheld. One passenger had been injured when the automatic doors shut and hit her head. She did not think to apply for compensation, but was satisfied at the time with an upgrade to First Class.

In conclusion, although many non-delay eventualities were considered inconvenient, most would not expect to be compensated for these. Furthermore, respondents felt that should TOCs open up this route of compensation it would be almost impossible to manage and could become an invitation for unrealistic and fraudulent claims.

### 3.1.8 Compensation Vouchers

Paying compensation in voucher format was strongly resisted across the sample and was tolerated only in situations when entitlement was uncertain, i.e. better than nothing.

The objection to vouchers existed on a number of levels. Most claimed vouchers to be unsatisfactory when they had paid for their ticket with cash. This led to comparisons with retailers, when refunds tend to match the method of payment.

*“I don’t pay for my ticket with vouchers so why should they be acceptable as compensation? Vouchers expire and never get used so they are completely hopeless.”*

*[Commuter, London]*

Additionally, most regarded paper vouchers as ‘old fashioned’ and possibly not practical when booking journeys online. This was especially contentious for leisure passengers who tended to book online to take advantage of Advance fares. They questioned whether it would be possible to use vouchers to purchase anything other than walk-up tickets at stations.

Some expected exclusions and restrictions in terms of the days, times and routes of travel that the voucher would be valid for. Such disincentives to redeem vouchers were widely known to be the reason why they tend to be offered by merchants.

A number of 'enhancements' were explored with respondents; receiving a higher value compensation as a voucher than you would get if you wanted cash, a voucher for a journey of limitless length with the operator concerned; a voucher to pay for alternative items such as refreshments at the station. Overall, the 'enhancements' failed to appeal - a higher value voucher was dismissed and interest was low in having a free ticket for any journey. There was slightly more interest when the voucher could be used beyond train ticket purchases, but this was by no means universal.

*"I would definitely prefer a cash refund and not vouchers, but, unfortunately, I don't expect that to be the case"*  
*[Commuter, Manchester]*

*"Having a £10 voucher to spend in a bar or café at the station could be useful, but it would really depend what station you are using, some have very little available."*  
*[Commuter, Manchester]*

### **3.1.9 Initiatives**

Four alternative compensation initiatives were explored with respondents; being handed a voucher at the ticket barrier, a 'no quibble' guarantee, the opportunity to pay compensation received to charity and the opportunity to reinvest compensation in train services.

#### **Voucher provided at the Ticket Barrier**

At a conceptual level this had high appeal. Respondents recognised it would help to defuse frustration caused by delay as it provided something back immediately. Some also felt it would remove the hassle of making a compensation claim. However, when appraising the concept in more detail, it was evident that many would be reluctant to accept this as a 'sweetener' to prevent them from making formal claim for compensation.

It was also expected to be difficult to administer and a number questioned whether it would be fair in practice since it would be impossible to ensure that

compensation payments reflected the length of delay experienced or the amount paid for tickets.

*“This sounds like a good idea and would make you feel better about being delayed at the time. It would be instant, so people would like it, but I would expect to follow it up with a complaint, it’s more a gesture.”*

*[Leisure User, Bristol]*

*“This isn’t really fair, as people would have paid different amounts for their tickets and they would all get the same amount.”*

*[Leisure User, Manchester]*

### **No Quibble Guarantee**

*[Explained in terms of an application for compensation being paid by the TOC without requiring proof of purchase or other evidence that a delay had been experienced]*

A ‘no quibble’ guarantee was well-received in theory and associated with well-regarded retail brands (Marks & Spender and John Lewis, in particular). The concept was a little surprising in the context of train travel and most expected it to be impractical to manage. A key distinction in this respect is that in a retail context a ‘no quibble’ guarantee tends to be associated with refunds, which some respondents acknowledged to be altogether different from compensation.

In retail, the appeal is in the simplicity of the guarantee; the customer can return a faulty (or even disliked) product and receive a refund, no questions asked. Respondents found it difficult to envisage how this would be applied to the rail industry. Although the product is flawed if the train is delayed, the passenger would still arrive (in most cases) at their destination, albeit late, and there would be nothing to ‘return’. There was also the feeling that such a system would be open to abuse and that some would ask for a refund on the basis of only minor inconveniences, which would make it difficult for TOCs to deliver against the promise. Failure to deliver would result in yet more frustration for passengers.

*“I can’t believe any company is going to pay me compensation for being on a delayed train just on my say so.”*

*[Commuter, London]*

### **Charity Payment**

The opportunity to donate compensation payments to charity caused some discomfort in the groups as some respondents found it difficult to discuss in public. Those who were receptive felt it should be offered only as one option from a number of choices.

However there was an indication that the idea was at odds with making a claim for compensation, as charitable giving is a personal and emotive issue. There were also a couple of concerns that not all charities (particularly local charities) would be included in the choice.

*“I already give regularly to charities I have chosen for personal reasons. It’s not really related to getting compensation for delayed journeys.”*  
*[Leisure User, Bristol]*

### **Reinvest in Services**

The idea of using compensation to reinvest in services was totally rejected across all groups and some respondents were annoyed by the idea. All felt fare revenues should be used for investment and none wanted to be offered the opportunity to use compensation payments for this purpose.

*“You must be joking. That would just get used to pay the Chairman’s bonus.”*  
*[Leisure User, London]*

### **3.1.10 Automated Payment**

A number of alternatives for the payment of compensation were presented for research. Three options (some closer in terms of technology than others) were explored in the groups.

#### **Bank Transfers**

There was high interest in the possibility of compensation being transferred directly into a bank account. Season ticket holders who paid by direct debit were particularly receptive to this idea. It was also felt to make sense to credit the payment source, as this process is familiar and standard practice in other sectors when refunds are granted.

Bank transfers were also preferred for small amounts of compensation or if a regular journey was repeatedly delayed and eligible for compensation. In such situations, crediting an account was considered to be more practical than receiving vouchers or being sent a cheque for each individual claim.

*“It would make sense if you paid for your ticket by direct debit or with a debit card. It would also be a more convenient way to get small amounts on a regular basis.”*

*[Commuter, London]*

## **Mobile Phone**

Most were receptive to this idea at a conceptual level and there was some awareness of m-tickets in the sample.

However, others misunderstood how this would work and assumed it would provide them with credit to use on their phones. There was also strong resistance to the practicalities of putting this system in place and a mistrust of what is still considered to be nascent technology.

*“I know you can get boarding cards on smart phones so it will happen in the future but I’m not sure the technology is quite there yet.”*

*[Business User, London]*

## **Smartcard**

The possibility of directly crediting a smartcard was spontaneously mentioned in the London groups. Those who are already familiar with Oyster felt compensation payments credited directly to their cards would help to establish a seamless compensation process with mutual benefits for passengers and TOCs.

The technology was considered to be reliable enough to cope with compensation credits among Oyster users, although there was less enthusiasm outside London (particularly in Manchester) due to a lack of experience with Oyster or other smartcards in a travel context.

*“The technology already exists to cope with this. You just need a swipe card that would recognise which trains you have travelled on.”*

*[Commuter, London]*

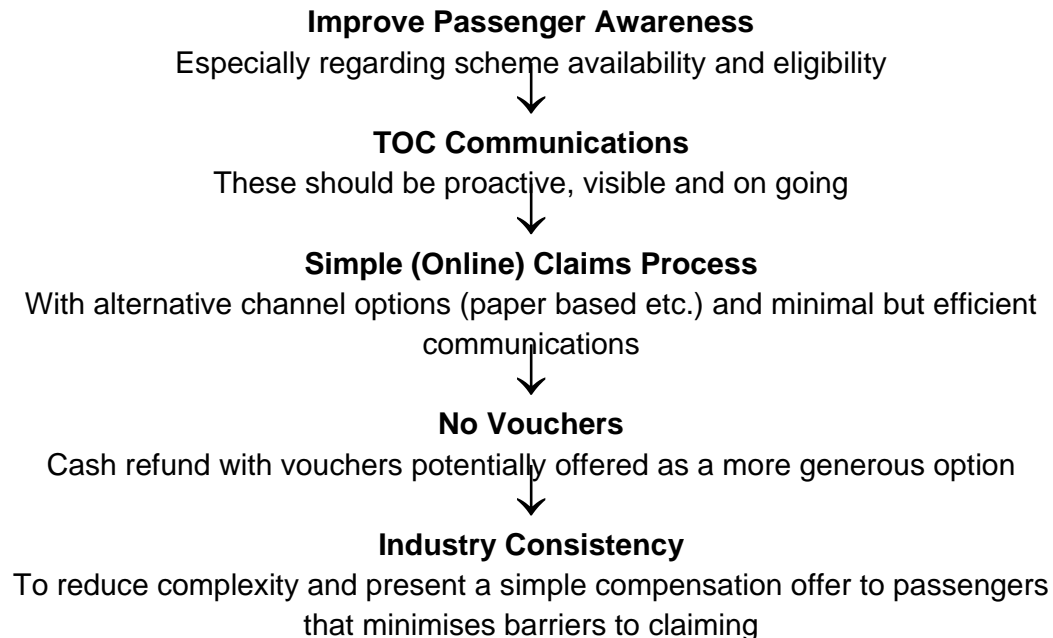
*“They need a system like Oyster that recognises which services you have used that have been delayed. That would take all the hassle out of it.”*

*[Business User, London]*

*“It would make it easier for passengers to get what they are entitled to and would avoid the risk of the train company paying fraudulent claims.”*  
*[Commuter, London]*

### 3.1.11 Ideal Solution and Best Practice

Bringing together the suggestions above we outline below the ideal short-term solution until improved automation and technology becomes available.



During the course of the research, some experiences were recounted by a few respondents that demonstrated the potential to exert a positive impact on customer satisfaction when delays are handled well.

First Capital Connect's claim process was talked about positively and spontaneously in two of the groups. Respondents who had claimed considered the forms to be simple and straightforward with compensation being paid out quickly and efficiently. One respondent who used the First Capital Connect website welcomed the fact that the site retained personal details to expedite subsequent claims.

Another respondent talked about how Virgin Trains exceeded expectations on arrival into London Euston on a severely delayed last train from Manchester. The expectation was that there would be no staff available at the station and that passengers would be left to fend for themselves, but the train was met by Virgin staff who provided cash compensation at the ticket barrier and taxis for



all passengers. Another respondent had a similar experience when travelling by Eurostar to London from Paris on a heavily delayed train.

As indicated above, some Oyster users felt their experiences were relevant in the context of receiving compensation payments from TOCs.

*“That’s how it works on the tube. I have put in loads of claims and have always got my card credited without any question.”*  
*[Commuter, London]*

## 3.2 TOC Compensation Schemes

After discussions around what would constitute the ideal compensation scheme, respondents were shown the National Rail Conditions of Carriage, the traditional Charter compensation scheme and the newer Delay Repay model of compensation.

### 3.2.1 National Rail Conditions of Carriage

General awareness of the National Rail Conditions of Carriage was low. A minority assumed something like this existed but there was no knowledge of the detail.

Overall, respondents felt the National Rail Conditions of Carriage were unfavourable and not generous enough to compensate passengers for delay. The compensation levels (of 20% and 10% for a single and return respectively) were considered inadequate, especially in the event of experiencing a severe delay or inconvenience.

Respondents struggled to find any positives. Eligibility for compensation if arriving more than an hour late at their destination (even if the train delay was less than an hour) however, was felt to be fair.

Commuters with monthly and annual season tickets were particularly critical. They felt there was no provision for them and that the conditions failed to recognise them as the industry’s most valuable customers.

*“This is very minimal, it’s not generous at all and doesn’t really offer much.”*  
*[Commuter, Manchester]*

### 3.2.2 Traditional Charter Compensation

At a TOC-specific level some respondents were more familiar with the traditional charter compensation scheme. Unsurprisingly, this was particularly the case among those who had made a claim.

This scheme elicited negative responses across the sample. It was felt to penalise the TOCs' most regular customers and not to be generous enough for less frequent users.

The most contentious element of the scheme was the Moving Annual Average (MAA), which many respondents were highly cynical about. At its most basic level the MAA was considered to add layers of complexity to what most felt should be a simple process. More specifically, the MAA was felt to lack transparency, especially in terms of variation between TOCs, prompting some comments about TOCs manipulating figures to their advantage to avoid paying compensation.

*"Under that system, the compensation you receive is unlikely to reflect your experiences as a passenger. You would be bound to lose out."  
[Commuter, London]*

Some respondents expressed concern that delays faced by commuters at peak times would be averaged out by non-peak journeys, which are less likely to be delayed. This perception served to undermine passengers' confidence in the traditional charter compensation scheme.

*"That's the thing that's so unfair about the current system. Even if the MAA only included peak services, they would adjust the trigger level to suit them."  
[Commuter, London]*

*"That penalises season ticket holders. You couldn't trust the MAA because it would be easy for the train company to achieve their targets by including peak and off-peak services."  
[Leisure User, London]*

The potential benefit to season ticket holders of not having to apply for compensation (it is applied automatically when they renew their ticket) was far outweighed by the negatives outlined above to the extent that it was generally felt to be irrelevant.

*"It's a complicated scheme, if I was a season ticket holder I wouldn't know what I should receive back."  
[Business User, Cambridge]*

*“Severe delays on one train could be masked by other trains with the calculations of averages.”  
[Leisure User, Bristol]*

### 3.2.3 Delay Repay Compensation

The Delay Repay compensation scheme was preferred across the sample. Passengers appreciated its simplicity and felt it was weighted in favour of all user types (business, commuter and leisure) rather than the TOCs.

The transparency of the scheme was welcomed as respondents felt it outlined clearly what they would be entitled to for different lengths of delay. The specific levels of compensation (see appendix) were considered to be an improvement on the traditional charter scheme and were described by some as ‘surprisingly generous’.

The main advantage of the Delay Repay scheme was that it was felt to treat all passengers equally. Season ticket holders considered the scheme to be more equitable, on the basis that they would be compensated for the actual journeys experienced rather than the TOC’s average performance, which may not reflect their particular journeys.

*“That’s simpler and much easier to understand. It’s more generous and is a fairer system for commuters.”  
[Commuter, London]*

*“That’s much more open and transparent and it’s black and white rather than mystical. It would suit us better as non-season ticket holders as we would get a percentage of what we pay for each journey.”  
[Leisure User, London]*

*“That seems too good to be true, there must be a catch. 50% and 100% seems too high for a delay of just 30 minutes.”  
[Business User, London]*

Some disadvantages were also identified. A couple of leisure users pointed out that some return tickets cost only a fraction more than single tickets and that this could affect the amount of compensation received. For example, a passenger delayed for more than an hour who purchased a single ticket costing £10 would receive a full refund (100% compensation on a single ticket), whereas a passenger who had purchased a return costing £12 might

only expect to receive £6 (50% compensation on a return ticket). The perceived generosity of the scheme was also questioned in the context of whether this would be reflected in fare increases. However, this was mitigated by an understanding that TOCs would be doing all they could to avoid delays to avoid having to make compensation payments.

*“It is ambiguous in the point about getting 50% of the single and 25% the cost of a return, because in many cases the return is only a bit more than the single, so you would get less back. In a sense it’s encouraging you to spend more and buy two single tickets”*

*[Commuter, Manchester]*

Respondents acknowledged that the scheme would fail to recognise short delays of less than half an hour. For infrequent journeys, this was not considered to be a significant issue. Commuters, however, were reluctant to accept that short but frequent delays should not result in some form of compensation, as they would under a traditional Charter scheme when a TOC’s overall service performance falls below set targets.

*“Lots of trains will be less than 30 minutes late so the number of times I could claim in a year will be quite limited.”*

*[Commuter, London]*

*“This actually says to me they want to improve, it makes you think they are trying to improve, because they are not going to want to pay out all of this compensation.”*

*[Leisure User, Bristol]*

## 3.3 Passengers with Disabilities

### 3.3.1 Experience of Train travel

Six respondents with three different types of disability and combinations of disability (mobility, visual and hearing impaired) took part in the research. As is always the case with such small samples, it is not possible to draw firm conclusions on the basis of these findings alone and the following should be regarded only as indicative of the issues involved.

Unsurprisingly, disabled passengers have specific requirements and often experience particular difficulties when travelling by train. Their main priority is to reach their destination safely with minimal distress and discomfort, to the

extent that some prefer not to travel in the evening to avoid problems such as unstaffed stations.

*“I will never travel in the evening or at night as there is a lack of staff at stations. I need to have confidence when I am setting out that I am going to be able to get back and not have to worry about this, so I avoid travelling later in the day.”*

*[Mobility and Hearing Impaired]*

Although the Assisted Passenger Reservation System (APRS) was not the focus of this project, it was top of mind and the main priority for disabled passengers. All had used the APRS at least once and most used it on a very regular basis. There was universal praise for the APRS, but all had experienced at least one instance of poor performance. Four of the respondents had made a complaint about APRS and received compensation. All maintained that any complaint made would be in the hope that TOCs would make improvements to the system rather than to receive compensation.

### **3.3.2 Impact of Delays and Cancellations**

The inconvenience of late arrival was not a key concern for disabled passengers unless it had a detrimental impact on their APRS arrangements. All allowed ample time for their journeys and in a few cases this had involved travelling the day before. All were relatively forgiving of delays due to awareness that they had been the cause of delays to other passengers in the past.

*“Once the ramp assistance I booked did not arrive, there were no other staff around, so I had to push the emergency button to stop the train leaving the station, that would have caused a delay.”*

*[Wheelchair user]*

For passengers with disabilities, distressing and uncomfortable situations that can result from a delayed train are more likely to form the basis for compensation claims than late arrival at their destination. The impact and distress caused by delays can vary for passengers with different types of disability or combinations of disability, these are outlined below:

#### **Wheelchair Users**

Overcrowding, a common consequence of delayed or cancelled trains, often results in luggage being placed in the wheelchair area, making access

difficult. If a train is delayed for a significant period, wheelchair users cannot easily access on-board toilets and catering facilities, and the longer the delay the greater the discomfort. Late platform alterations and / or the need to change trains can also present serious difficulties for passengers in wheelchairs.

*“If trains are delayed this can mean busy trains, and people putting their luggage in the wheelchair space. When I get on, even though I’m with assistance we have to find out who the luggage belongs to and get them to move it. It can be embarrassing and people do sometimes get annoyed.”*

*[Wheelchair user]*

### **Blind or Vision Impaired**

Delayed trains are often subject to platform alterations that can cause difficulties for passengers who have learned exit routes from a specific platform. This problem is exacerbated if platform changes are not announced prior to the train arriving at the station.

*“I use trains all the time, but I can’t read any of the information boards. I’m very dependent on announcements and when my regular train ends up coming into a different platform my exit route gets mixed up and I have no idea where I am in the station”*

*[Blind]*

### **Hearing Impaired**

If TOCs rely heavily on audible announcements to communicate delays, hearing impaired passengers can miss important information. This can result in them not being aware of a delay or being on the wrong platform / train. Those with multiple disabilities are more likely to experience additional issues, as described above.

*“If I miss an announcement for a last minute change of platform, it can be a mad panic to find out where I am supposed to be going and I’m worried I am going to miss my train.”*

*[Hearing and Vision Impaired]*

### **3.3.3 TOC Compensation Schemes**

Passengers with disabilities had virtually no awareness of TOC compensation schemes. Like the rest of the sample, there was also confusion about how they would find out about the scheme, how they would claim and what the

process would be. If a delay affects their APRS arrangements, they typically claim under this scheme and there was confusion about how TOC compensation schemes would fit in with APRS. There was some feeling that it would be morally wrong to, in effect, claim twice under two different schemes.

When shown the details of the two schemes (the traditional Charter scheme and the Delay Repay scheme), all preferred the conditions of the Delay Repay scheme. The traditional Charter was considered to be overly complicated, not particularly generous and largely irrelevant to these respondents (as none were season ticket holders). The Delay Repay scheme was felt to be much easier to understand and surprisingly generous. Disabled passengers were more likely to be satisfied with compensation being provided in the format of rail vouchers.

*“I’ve not heard of this [traditional Charter], but I’ve never had a season ticket so I’m not sure if this would apply to me and 20% does not sound like much, it really should be more than this, especially for longer delays.”*

*[Vision and Hearing Impaired]*

*“This [Delay Repay] is more straightforward, and it’s also more generous, but for me it’s more the impact of the delay. If I’m just a little late, fine, but if it’s been stressful because of being late, then I might apply for compensation.”*

*[Wheelchair user]*

Disabled passengers also cited specific needs in relation to how compensation schemes are communicated and administered, as outlined below:

### **Wheelchair Users**

Information provision at the point of ticket purchase (whether online or at the ticket office) has convenience benefits for wheelchair users. An online application facility is therefore ideal, otherwise application forms need to be handed out by staff on trains or at ticket barriers.

*“It needs to be easy to apply, if I was handed the form on the train and then could hand it straight back once I’d filled it in, then I might apply, I don’t want the added difficulty of having to go out and post it back.”*

*[Wheelchair User]*

## Blind or Vision Impaired

Communications in Braille alone was felt to be insufficient, but having access to information in large print is useful for those with less severe impairments. Verbal announcements on delayed trains and on arrival at stations are needed to inform passengers of their eligibility for compensation. Providing assistance with the application process will be welcomed by some passengers

*“I can’t always fill in forms myself, especially if the boxes are small, it would be best for me if I could tell them my details and they could write it down for me.”*

*[Vision and Hearing Impaired]*

## Hearing Impaired

Those with hearing impairments felt their needs were catered for by having poster and leaflet-based communication of schemes and the facility to make a claim online or by completing a form. These respondents were more concerned about provision being made for passengers with other disabilities.

*“They can’t rely on announcements, they need to have posters up all around the station, and on the trains so people know about it.*

*[Hearing Impaired]*



## 4. Conclusions

Perhaps unsurprisingly, compensation schemes become relevant to passengers only in the event of needing to make a claim as a result of being delayed. Otherwise knowledge and awareness of specific details tend to be extremely limited.

Expectations of compensation schemes were low and even those who had made a claim were not particularly clear about their entitlement under the current schemes. Others who had not claimed expected entitlement to be minimal, with the view that the outcome would be heavily biased towards TOCs. There was consistent evidence to suggest that the anticipation of cumbersome processes and unsatisfactory resolutions represents a disincentive to claiming compensation for delays.

Encouragingly, passenger needs in terms of the claims process were straightforward and realistic, and enhancements to compensation schemes will not be difficult to deliver. The first broad requirement is for TOCs to be more transparent and proactive about providing information on compensation schemes and how to claim. Second, the claims process itself needs to be streamlined and efficient, requiring minimal effort from the passenger. Third, vouchers should be offered only as an option, rather than the sole means of compensation. Greater consistency among TOCs would also be welcomed in order to minimise the current potential for confusion.

Although the primary requirement among passengers is for fairness, all user groups felt that compensation schemes should be structured around the needs of the most frequent rail users. Respondents recognised that commuters are most likely to be adversely affected by delays and under some current schemes are felt to be penalised rather than rewarded for their loyalty.

A clear opportunity exists to standardise the claims process and potentially to deliver mutual benefits across the industry. In this respect, spontaneous suggestions for process improvements were crystallised on exposure to details of alternative schemes. The traditional Charter scheme was felt to be complex, biased against season ticket holders and barely worth the effort of claiming against for daily and weekly ticket holders. The Delay Repay model was considered to be fairer and more generous and was preferred across the sample. The benefits of a simpler and more transparent scheme were widely felt to outweigh the inability to claim for delays of under 30 minutes.

## **Suggested improvements**

**This research indicates that the following suggestions should be considered by the rail industry:**

- 1. Increase the overall passenger awareness of compensation schemes**
- 2. Be more transparent about eligibility criteria**
- 3. Be more proactive in communicating compensation entitlement directly to those passengers caught up in significant delays**
- 4. Standardise compensation arrangements across the industry based on the Delay Repay model**
- 5. Make the claims process as easy as possible, working towards automating the actual payment element**
- 6. Phase out paper vouchers in favour of compensation by the original method of purchase (e.g. if you paid by card a credit would go back to that card) or an e-voucher that can be used for subsequent online ticket purchases**

## 5. Appendix

### 5.1 Discussion Guide

## TOC Compensation Schemes (90 minute Groups)

### Context

- *[Moderator to explain that research is being conducted on behalf of Passenger Focus, London TravelWatch who wish to understand passengers' views on the subject of compensation schemes.*
- *[Moderator to explain that feedback will help inform decisions taken, but that any views expressed will not necessarily be implemented]*

### Introduction (5 mins)

- Explanation of nature and purpose of research
- Respondent introductions: name, age, occupation, nature of train journeys most frequently undertaken
- Have you had cause to complain to a TOC in the past? What specific things have you complained about?
- Have you ever thought about complaining but not done so? What were the barriers?
- What was the outcome of any complaints made? How satisfied were you with the outcome? Why / not? What does this depend on? Would you be more or less inclined to complain in future?

**NB: Throughout discussion, moderator to note (on flipchart) any criticisms or spontaneous suggestions for improvement to current compensation schemes to be discussed at end of session**

### Awareness (5 mins)

- What compensation arrangements are currently in place? How do you know about this? Where would this information be available?
- What would you expect to be available? What are the benchmarks?
- Are the arrangements the same for all passengers across all train operators? How are differences explained / justified?
- Under what circumstances would you expect compensation to be available? What should the criteria be? What would a hierarchy look like?
- **[Oyster Users]** Can you claim for delays on rail services? Who to? How do you know?

### **Delay Experiences and Perceptions (10 mins)**

- What length of delay is considered an inconvenience? What would be regarded as frustrating / annoying? Does journey purpose make any difference?
- How late do you have to be before you expect to be entitled to compensation? How should this be determined? In absolute terms (minutes) or as a proportion of the overall (train) journey time?
- What should happen if trains are persistently late but not to the point at which compensation is triggered?
- What are the potential causes of delay? Which ones should lead to compensation being payable?
- **[Oyster Users]** Would you be prepared to provide proof of travel? How? Would it be reasonable to provide a printout of journeys at a LU station? Why? Do you mind TOCs having access to this information? Does this change anything?
- Are TOCs always to blame for delays? Who should compensation claims be made to?
- What exceptions would passengers make? When would a delay not be blamed on a TOC? [Spontaneous then explore using the following]
  1. A service on a particular route is suspended for two or three days due to strike action
  2. Services are suspended due to a lack of drivers on a particular route
  3. Trains are unable to run due to the weather for three days
  4. Police decide to suspend services temporarily due to trespassers on the railway
- Would any of the following not be claimed for (due to being out of the control of the TOC)? How would you feel about TOCs not offering compensation for any of these?
  - a) Acts or threats of vandalism or terrorism
  - b) Accidents involving trespassers
  - c) Gas leaks or fires in line side buildings
  - d) Riots or civil commotion
  - e) Fire or mechanical failure due to electrical failure or a defect

### **'Compensation Journey' Requirements (10 mins)**

#### **Information Gathering and Expectations**

- Talk me through what you would want / expect when claiming compensation. Are there any overall / general rules for TOCs?
- Having experienced a delay, what should happen? How would you know if compensation was available? How should entitlement be brought to your attention? Do you want to be told you are entitled to compensation at the end of a journey? How / who by? How would this make you feel?

#### **Complaint Format and Admin**

- What do you ideally want from the complaints process? What do you expect happens now? How do you feel about this?

- What process would you prefer? Online, fill in form, phone, F2F etc. What are the strengths and weaknesses of each? Which would make you most / least inclined to claim?
- What is acceptable in terms of response? Do you expect your claim to be acknowledged? How quickly? Do you expect to be informed of progress? How long should it take to get an answer / resolution?
- What sort of response do you want? Do you want an explanation? Why / not? Would you trade this for a speedier response? Or a more generous settlement?
- What do you expect if your claim is refused? How is this best handled?

#### **Best Practice**

- What constitutes best practice in this respect? What are the benchmarks within the travel sector? What about other sectors (e.g. retail)? Where does rail currently sit in a competitive context? What should TOCs aim for? What would be acceptable? What would exceed expectations?

#### **Reimbursement Initiatives (15 mins)**

- If successful, what level of compensation do you expect? What is this based on? What are the upper and lower parameters?
- What are the benchmarks in this or other sectors? [Compare with any experiences of any other compensation claims]
- What form should compensation take? What would you prefer? Vouchers up to £X? Cash above £X? What should the value of X be? Do you feel strongly about vouchers vs. cash? Would you rather have a free journey ticket worth more than the value of vouchers or cash to be used within 12 months? Why / not?
- Should vouchers / compensation be redeemable only for future rail travel? Should you be able to use them for travel related purchases e.g. at station retail outlets? Where else would you want to use them?
- Would you prefer a high value voucher for a specific TOC or lower value vouchers that could be used for any TOC? Explore trade off between value and flexibility.
- Could compensation contribute towards a TOC loyalty point type scheme? How might this work (e.g. smartcard linked to online account for station purchases)?
- Do you want compensation to be paid out every time you are delayed or should the compensation accumulate until you choose to redeem it?
- Which of the following compensation options would you prefer:
  - £X voucher handed to all passengers at the ticket barrier or on the train to remove need to make a claim? What should the value of X be? What are the pros and cons of this universal approach?
  - **[Season ticket holders paying by direct debit]** Nominate train in advance and set up an account that would automatically be credited if service used was delayed?
  - No quibble guarantee for all claims made. How would this work?
  - Bank transfer (for season ticket holders paying by direct debit?)

- Added to smart ticketing systems available on mobile phones or smartcards such as Oyster in future? What required until this technology is universal?
- **[Oyster Users]** Would you prefer vouchers or a credit to your card?
- Reinvested in correcting / improving the service?
- Paid to a charity of your choice?

**Specifics (5 mins)**

- Do you want an explanation for the delay / to hear what the TOC is doing to prevent similar experiences? Does this vary depending on the type of delay? Or is speed of getting compensation more important?
- What tone should TOCs adopt for responses? Are standard letters acceptable (or are they too impersonal / miss specific questions passengers want answered?)
- Do you want to submit claims online and build up credit in an online account? What about doing this via text (SMS)?
- Should the compensation amount vary according to channel used to reflect costs for the TOC? What are the pros and cons?
- Do you expect compensation for things beyond delays and cancellations? [Spontaneous then prompt with the following]
  1. Consequential loss (on a discretionary basis)
  2. Failure to provide advertised services e.g. ticket buying facilities / toilets / catering facilities
  3. Misinformation from TOC

**Response to Current Schemes (15 mins)**

**[Introduce details of Traditional Charter and Delay Repay schemes including any specifics relevant to TOCs represented]**

- Detailed discussion of both schemes and specific details to cover:
  4. Initial reactions
  5. Key features
  6. Strengths / weaknesses
  7. Prioritisation of key elements
  8. Length of delay in relation to journey time? How apply to compensation payment?
  9. Areas most / least consistent with spontaneous requirements
  10. Where are the gaps
- Overall, which of the two schemes do you prefer? Why? Which is most likely to suit your needs based on TOC used and travel patterns?
- Is one scheme better than the other? What are the best / worst elements of each scheme? Would a mix and match approach be preferable? Why? What are the key issues according to journey length and purpose?

**Brain Storming Exercise – Ideal Compensation Scheme (15 mins)**

[Moderator to facilitate open and creative sessions with respondents to generate ideas that could be used as basis for their vision of the ideal compensation scheme]

**[May be done as a syndicate exercise depending on dynamics of each group. Two syndicates would be given scenarios provided and would report outputs back to the group]**

- Ask respondents to imagine ideal process once delay experienced
- Probe in terms of ideal features to resolve claim in best way
- What features are most important and relevant to circumstances? Why?
- How best to deal with length of delay in relation to journey time and how apply to compensation payment?
- Comparison with details of current schemes
- How important is ease of making claim and ease of receiving compensation? What do these mean? How defined?
- What would be acceptable? What would exceed expectations?
- How would the ideal solution change your experience of complaining?

#### **Priorities for Improvement (5 mins)**

Ideally delays and cancellations would not occur on the railway, and passengers would not need to complain or request compensation. Accepting that, what are the most important things for the industry to improve in the way complaints about delays and cancellations and requests for compensation are handled.

- How are these suggestions ranked / prioritised
- Which are most / least realistic for TOCs
- How would ideas implemented affect perceptions of TOCs
- What would encourage / discourage compensation claims in future

#### **Summary (5 mins)**

- Summarise key output from session
- Identify primary requirements for compensation schemes
- Which elements from current schemes should be retained
- Review possibility of establishing a universal model
- How would ideal schemes impact on perceptions of TOCs and the rail industry

## 5.2 Stimulus

### 5.2.1 National Rail Conditions of Carriage

- You are entitled to compensation if you arrive more than 1 hour late at your destination, even if the train delay is less than 1 hour e.g. if you miss a connection
- Minimum level of compensation is 20% of the price of a single ticket and 10% of the total ticket price of a return
- Compensation is paid in vouchers for any train journey and valid for 12 months
- Claims must be made within 28 days of the delay and proof of purchase is required
- Compensation may not be paid if delay was due to something outside of the control of the industry

### 5.2.2 Traditional Charter Compensation

#### Daily and Weekly Tickets

- National Rail Conditions of Carriage apply (a number of traditional charter compensation schemes go beyond the Conditions of Carriage minimum)

#### Monthly and Annual Season Tickets

- Claims for individual delays paid at the discretion of the TOC (rarely or no entitlement)
- Compensation is based on average performance of the past 12 months
- Compensation automatically applied below a specific 'trigger level' which are set by each TOC
- Performance is calculated every 4 weeks as a Moving Annual Average (MAA)
- Punctuality below MAA trigger level = 5% discount, Reliability below MAA trigger level = 5% average and both below MAA trigger level = 10%
- Compensation paid as a discount on like-for-like renewal of ticket within 28 days



### 5.2.3 Delay Repay Compensation

#### All tickets (including season tickets)

- 50% of the cost of a single ticket or at least 25% of the cost of a return ticket for delays of 30 to 59 minutes
- 100% of the cost of a single ticket or at least 50% of the cost of a return ticket for delays over 60 minutes
- The amount season ticket holders receive is based on a pro rata calculation depending on the length of the ticket