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## Confidential Minutes

Agenda item : 10  
Drafted : 25.03.13

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### Confidential minutes of the Consumer Affairs Committee held on 12 February 2013 at Dexter House, Royal Mint Court, London EC3

These minutes are in addition to the public minutes of a meeting of the Committee on the same date. In that meeting it was resolved, under section 15(2)(b) of schedule 18 of the Greater London Authority Act 1999, that by reason of the confidential nature of the item(s) to be discussed, it was desirable in the public interest that the public should be excluded for this part of the meeting.

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#### Present

##### Members

Richard Dilks, Glyn Kyle, Stephen Locke, Abdikafi Rage, John Stewart (Chair), Ruth Thompson

##### Guests

Ruth Harper Fares and Ticketing, Department for Transport  
Shashi Verma Director of Customer Experience, Transport for London

Peter Twigg Head of London & South East Support, Association of Train Operating Companies  
Wilco Chapels London Pricing Manager, Association of Train Operating Companies  
Malcolm Fairhurst Fares and Ticketing Manager, TfL  
Simon Feast Fares & Passenger Benefits Manager, Department for Transport  
Caroline Murdoch Corporate Affairs Director, TfL  
Mark Taylor Department for Transport

##### Secretariat

Tim Bellenger Director, Research & Development  
Janet Cooke Chief Executive  
Sharon Malley Executive Assistant

#### Minutes

### 1 Confidential minutes, declarations of interest and matters arising

The confidential minutes of the Consumer Affairs committee meeting held on 16 October 2012 were noted. There were no matters arising.

Richard Dilks declared that his job at Which? involved engagement with bodies and organisations relating to ticket vending machines (item 7) and the Government's fares and ticketing review (confidential session). He would take part in the discussions on these items but not make any decisions or conclusions.

## **2 Government's fares and ticketing review**

Ruth Harper from the Department for Transport's (DfT) fares and ticketing team updated members on the government's review of fares and ticketing. She said a consultation document had been issued in 2012 on rail ticketing with the intention that the government would publish a report in May 2013. This was challenging. The regulations around fares and ticketing had not changed significantly since rail privatisation and now was a good time to look at them again in light of the change in patterns of rail use. The review was also linked to the McNulty review on savings. The review was not looking at the question of fare rises but was looking at the distribution of fares.

Ms Harper said she had hoped to be able to bring members the emerging package of recommendations but ministers still had some major decisions to take, in areas such as super-peak pricing. Ministers were clear that they wanted to see improvements for passengers, without increasing costs. At the same time, London was moving forward with its own flexible ticketing arrangements. The DfT was working on the South East Flexible Ticketing (SEFT) programme to speed up the introduction of ITSO smart ticketing across the south east commuter area. It was challenging to introduce new technology while maintaining current levels of service for passengers.

In response to a question from a member, Ms Harper said that the DfT wanted to pursue SEFT to ensure that passengers across the rail network could use the same plastic card for all journeys. The DfT had funded TfL to do work on making Oyster ITSO-compatible.

Shashi Verma said that both ITSO and Oyster began in 1998 but they were now at very different stages of development. He could not say that there would be complete integration between Oyster and ITSO. For example, Oyster could not be used to book seats on particular trains. However, passengers valued the seamless nature of Oyster pay as you go (PAYG), which ITSO would not offer. Mr Verma thought the ticketing landscape was likely to be confusing for passengers over the next few years.

The Chief Executive said that London transport operators were keen to see progress with smart ticketing but there were potential problems for passengers, particularly as some operators were running their own systems. She had concerns about how things might work in practice.

Peter Twigg confirmed that there would be no equivalent to PAYG for ITSO but stored travel rides was an option for the longer term. He agreed that the focus should be on the best solution for the passenger. The Association of Train Operating Companies (ATOC) had been looking at ITSO cards from the passenger perspective, such as where the cards could be bought, who would deal with problems, what tickets could they carry. Two groups were doing 'pilot' projects and ATOC was keen to capitalise on the work they had done. ATOC was keen to find out from the DfT whether there was anything more they could be doing in the short term.

Ms Harper said it was important not to do anything that would close off options for the future. As soon as existing tickets could be loaded onto a smart card it would enable the

train operating companies to analyse data about current journey patterns, which would assist them in considering future ticketing options.

Mr Verma said that TfL would be able to roll out contactless bank cards as a means of paying for all TfL modes by the end of 2013, and with the agreement of the train operating companies this would extend to the national rail network in the London area. This would bring an advantage to passengers in that they would no longer need to top up their cards. He said that fares were also being reviewed as they were currently too complicated and there was a need to simplify the existing structure before adding new layers.

The Director, Policy and Investigation, gave an example of trying to buy a return London to Manchester ticket online and found three different prices for the same ticket on three different operators' websites. In relation to SEFT, he said that a quick win for passengers would be to install Oyster on the fringe areas of London such as Dartford, Slough and Esher.

Mr Verma said that there were practical restrictions in relation to the number of zones Oyster could hold and that the DfT's view was that it would be better to introduce ITSO across the whole network rather than continually tweaking and extending Oyster.

The Chief Executive said that it would be a great improvement for passengers if Oyster were extended to Gatwick Airport. Southern have said that 30 percent of people buying tickets at Victoria station have come from Gatwick and vending Oyster at Gatwick station would considerably reduce the numbers buying tickets at Victoria.

Simon Feast said that there would always be anomalies at boundaries. For example, one bus from Bluewater shopping centre accepted Oyster but none of the others did as it was at the boundary of TfL's network.

Peter Twigg said that it was not acceptable to offer the same ticket at different prices and he would be interested in the details of the example given by the Director, Policy and Investigation. Ticketing was currently too complicated. However, it was important not to choke off the ability for passengers to obtain very cheap fares on some occasions by removing too much flexibility from the system.

It was agreed that balancing the benefits of having a range of ticketing options against the desire for the system to be simple to understand was key. Passengers needed to know what their ticket restrictions were when they bought them.

The Director, Policy and Investigation, said that London TravelWatch would be carrying out further research into ticket offices and functions as part of the passenger experience. Passengers had strong emotional links to ticket offices and perhaps it was time to frame public expectations in this area. It was possible that general station staffing was more important than the statutory regulations about the opening hours of booking offices.

Ms Harper said that the DfT's statement in May would not be the final word on fares and ticketing. Ministers would be making some significant decisions in the lead-up to the statement and she was confident about making good progress on some of the small and medium issues. On the bigger issues, the announcement was likely to be about directions forward rather than absolute findings. The statement would set out the DfT's preferred outcomes, how they expected to get there and what would still be open for discussion. She would be happy to come back to members after the May announcement.

**Action: Executive Assistant**

The Chief Executive reminded Ms Harper about London TravelWatch's previous submission to the consultation and said that London TravelWatch's report into the passenger experience of ticket purchasing would be published in April.

It was agreed that the Director, Policy and Investigation, should write to the train operating companies setting out London TravelWatch's concerns. He should also write to the DfT to thank them for attending, explain the scope of London TravelWatch's research and offer any assistance that would be useful prior to the publication of their report.

**Action: Director, Policy and Investigation**

**3 Meeting review**

**Risk issues:** It was noted that one Board member had needed to confirm his external interests in order to avoid any concerns about conflicts.

It was noted that the meeting had allowed London TravelWatch to demonstrate its ability to stand up for passengers in the London area.

**Press and Media opportunities:** The Communications Officer should consider whether it would be possible to gain media opportunities in relation to London TravelWatch's work on ticket vending machines.

**Action: Communications Officer**