
Confidential Minutes

Agenda item: 13
Drafted: 28.01.14

Confidential minutes of the Policy committee held on 10 December 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.

Contents

- 1 Confidential minutes and matters arising
- 2 Fares and ticketing issues
- 3 Meeting review

Present

Members

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

Guests

Shashi Verma	Director of Customer Experience, Transport for London
Simon Feast	Fares and Passenger Benefits Manager, Department for Transport

Secretariat

Tim Bellenger	Director, Research & Development
Janet Cooke	Chief Executive
Richard Freeston-Clough	Communications Officer
Sharon Malley	Executive Assistant (minutes)

Minutes

1 Confidential minutes, declarations of interest and matters arising

The confidential minutes of the Policy committee held on 10 September 2013 were agreed and signed as a correct record. There were no matters arising or additional declarations of interest.

2 Fares and ticketing issues

The Chair said that unfortunately representatives from ATOC would be unable to attend the meeting as they were unexpectedly detained at their office responding to recent announcements from the DfT and TfL on fares. The two announcements were in conflict and ATOC was seeking to broker an agreement between the organisations. All fares would need to be put into the system by the end of the week to meet the deadline for

1 January implementation. The Chief Executive reminded the meeting that London TravelWatch had organised this session to discuss the many issues currently facing fares and ticketing.

Simon Feast confirmed that the DfT had been in discussion with ATOC over the implementation of the January fare rises. He said there had been a general welcome that fares were not going to rise as much as previously envisaged.

On the issue of extending Oyster coverage, Shashi Verma said that there were areas outside the Oyster area where significant numbers of people commuted into London and ideally they would be brought into the Oyster system. The government had made positive indications in relation to the route between London and Gatwick but the fares structure was complicated and the train operating companies were discussing it.

The Director, Policy and Investigation, said that nearly 6,000 people last year had received penalty fares for trying to use their Oyster cards to travel to Gatwick station. Mr Verma said that 40% of tickets sold at Victoria underground station were to people arriving from Gatwick. Ideally those sales would be rolled into transactions already taking place at Gatwick.

Simon Feast said that the Department for Transport's role was to approve changes to the Travelcard zones, which would happen following a formal application. He said that previous proposals, such as to incorporate elements of the First Capital Connect route, had been rejected as they did not have a positive business plan or a positive impact on business.

It was noted that airlines arriving into London already sold Oyster products to passengers and made a commission for doing so.

It was noted that the possible implication for simplifying the fares structure to Gatwick was that the cheapest fares would rise and the highest fares would reduce. A premium fare for the Gatwick Express would remain.

Other areas for potential Oyster expansion included Heathrow and Stratford International stations. Mr Verma said that discussions with Southeastern in relation to Stratford International were ongoing. Discussion on Heathrow station had been underway for 10 years, but may now reach some fruition as Heathrow Express found itself under competition from Crossrail.

Mr Verma said that TfL had not sought to introduce Oyster onto buses outside London. The DfT had invested heavily in ITSO and continued to favour that system over Oyster, as did bus operators outside London. Mr Feast said he hoped that smartcard pilots would be rolled out on bus networks next year. Mr Verma noted that the DfT strategy had a 15-year timeframe nationally, and would be five years in the south east, by which time contactless payments might well have overtaken these initiatives.

In response to a question, Mr Feast explained that assessing a business case involved looking at all the implications for passengers and assigning values. It was noted that some of the positive impacts, such as not needing to top up so often or being less likely to accidentally fare evade, were difficult to quantify.

Mr Feast said that SEFT was intended to replicate the fares arrangements already in place as it could hold more complicated fares data than Oyster. Mr Verma said that they ability

of ITSO to carry complicated fares was not proven, which was why it was struggling. He said that Oyster could carry more complicated fares than previously thought. Oyster and ITSO had originated at the same time, but Oyster was now in widespread use. He questioned why the DfT wanted to replicate the complicated fares structures rather than simplifying them. He noted that there had been limited acknowledgement of Oyster's role in raising fares revenue.

The Chief Executive welcomed the introduction of smart ticketing and asked whether back-office join-up was in place. For example, if passengers travelled with a card issued by one operator but had difficulties caused by infrastructure at a different operator's station, how would this be resolved. Mr Verma said this had been discussed at length but was not yet resolved. Work on the Southern keycard was still ongoing, and at the moment only Southern products could be loaded onto the keycard. There was no interoperability, which Mr Verma did not see as an advance for passengers.

A member asked whether TfL intended to extend its contactless payment area to include the Oyster extension area. Mr Verma said it did, and noted that around 33,000 bus journeys per day were now paid for using contactless payment cards. Around 6.5 million contactless payments had been made overall, generating less than 2,000 complaints. Around 1,000 new cards were being used for contactless payments every day, coming from 41 countries, which was almost all the countries that issued contactless cards. A total of 400,000 cards had now been used across the network, half of which had also bought Oyster products, which suggested that people were using the contactless option when their Oyster balance ran out. The other cards tended to be used for short durations, suggesting they were tourists.

Mr Verma said that contactless was now enabled on the tube network and was being used by a small number of passengers but was still essentially in testing mode. The testing had shown that Mastercard tended to be a little slow but Visa was OK. The pilot on National Rail would begin on the day following the meeting and this may later extend to a wider staff and customer pilot.

A member asked how contactless fares appeared on bank statements. Mr Verma said the tube payment was described as TfL travel and was levied as a daily charge. For buses, each payment was shown separately.

A member asked how contactless payments were enforced. Mr Verma said that on buses, revenue inspectors touched bus readers to download payment information, which was then matched against passengers' cards. Enforcement on rail was different and would be launched in stages, with the system eventually sending all contactless payments to a central location and if passengers' cards did not match with a payment, they would be charged the maximum fare. The system would be able to log repeated behaviour, which would make repeated evasion harder.

The Chief Executive said she assumed the ticketing arrangements for Crossrail would replicate TfL's, so this would provide an Oyster equivalent on the route to Maidenhead. Mr Verma said that passengers should see a seamless system but the main problem was in the difference between National Rail and tube retailing. He was working on removing those divisions.

A member asked whether there were any overarching themes to the complaints being made about contactless payments on buses. Mr Verma said that people had sometimes been charged on their bank card even though they had a travelcard on Oyster because

they had presented both cards together and the system had read the bank card rather than the Oyster card. There was no example at all of anyone being charged on both their bank card and Oyster card in one transaction.

The Chair thanked all the participants for an interesting and thorough discussion of the issues involved.

3 Meeting review

3.1 Discussion

Members noted that the discussions in public and in the confidential session had been of a high level.

It was noted that TfL did not appear to recognise the difficulties involved in removing cash from buses, especially in relation to people who might be deterred from getting buses at all if their Oyster card did not have an adequate balance.

It was noted that the lack of interoperability of the Southern keycard was not ideal and that London TravelWatch may need to take a view on it in due course.

3.2 Risk and media

It was noted that there was some confusion at the start of the meeting as to whether the meeting was public or confidential and that it would be important to clarify this in future, so that guests were aware of the position. The confusion had arisen as the confidential discussion had taken place at the start of the meeting, instead of the end, in order to accommodate last-minute diary changes of speakers.