
Secretariat memorandum

Author : Carmel Cannon

Information Item (a)

FT26

Drafted 10.3.09

Oyster card deposit notice

1 Purpose of report

1.1 To present for information a notice of changes to Oyster card deposit charges.

2 Information

2.1 On 22 April 2009 TfL wrote to the Director, Public Liaison, giving notice of Oyster card charge changes to take effect from 1 May 2009. The notice is attached at Annex A.

3 Equalities and inclusion implications

3.1 Not applicable – report is for information only.

4 Financial implications

4.1 Not applicable – report is for information only

5 Legal powers

5.1 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).

6 Recommendation

6.1 That the report is received for information.

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22nd April 2009

Dear Bryan

Change to Oyster card deposit rules from 17th May

I am writing to inform you that the Mayor has agreed that the £3 Oyster card deposit should be extended to all first issue Oyster cards, including those loaded with Travelcard and Bus & Tram Pass season tickets. It is planned to implement this change from 17th May.

Existing holders of Oyster cards loaded with season tickets will not need to pay the deposit provided they retain their existing cards. The change will be publicised by TfL in advance of its introduction to alert customers to the need to do this.

Pay as you go users, who already pay a £3 deposit, will be unaffected and all deposits and pay as you go balances will remain refundable.

New season ticket customers who do not already possess an Oyster card will be required to pay the deposit but will be able to get this refunded when they no longer need the card.

The deposit will not be payable where:

- a failed card is replaced
- a replacement card is issued containing a duplicate season ticket and/or pay as you go balance following loss or theft.

In the latter case, the original deposit will not be refundable.

The aim of the change is to promote Oyster card retention and to, as a result:

- at least halve the number of cards issued to season ticket holders;
- reduce wastage with associated environmental benefits;
- reduce back-office costs, queues at ticket offices etc.

Achieving the target of halving card issues to season ticket holders will reduce card issues by over 1 million a year and yield cost savings of £3m.

Background

Since their introduction, over 20 million Oyster cards have been issued. Nearly 500,000 cards are being issued each month – approaching 6 million a year.

Of these cards, some 2 million a year are issued free of charge to 7 Day, monthly or longer period season ticket purchasers. Halving these numbers will reduce the number of Oyster cards issued each year by 1 million.

To date, nearly 7 million free cards have been issued to some 700,000 Travelcard season ticket holders. Nearly 40% of the cards with no deposit issued for 7 Day Travelcards are used for one week only i.e. they are not reused. The physical life of a card is five years or more.

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The direct cost of providing Oyster cards is around £1.50 per card. Overall, the cost of issuing Oyster cards is around £3 per card after allowing for the logistics of supply, the cost of registration processes, staff time at Tube stations etc.

With fewer cards thrown away, fewer will enter the waste disposal chain. Being primarily plastic, Oyster cards are not easily degradable or readily separable into elements that can be recycled.

If you have any queries on the above, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Peter Legg". The signature is written in a cursive style with a long horizontal stroke underneath.

Peter Legg
Ticketing Proposition Manager
Transport for London
Email: peterlegg@tfl.gov.uk
Tel: 020 7126 4681