

Board meeting
23.05.17

Secretariat memorandum

Author : Tim Bellenger

Agenda item: 7
LTW553
Drafted: 16.05.17

Rail fares outside of the London Travelcard and Oyster/Contactless area

1 Purpose of report

- 1.1. To inform members of the current practice for rail fares and tickets outside of the London Travelcard and Oyster/Contactless area.

2 Recommendation

- 2.1. That the report is noted.

3 Background

- 3.1. Fares and tickets on rail franchises fall into two categories: regulated fares that are controlled by the DfT; and unregulated fares that are at the commercial discretion of train operators.
- 3.2. Regulated fares generally relate to peak time fares on commuter routes such as season tickets and peak time returns. The exception is that on long distance services peak time fares are not regulated but off-peak any journey tickets are.
- 3.3. Fares that unregulated are generally off-peak tickets, all advance purchase tickets, special offer tickets and long distance peak time tickets.
- 3.4. Fares are set by individual train companies. Where there are multiple operators running on a route such as between Luton and London, a 'lead' operator will control the any operator fare – in this case it would be Thameslink as they operate the majority of trains. Other operators are free to set a different fare, but this applies to their services only. In the case of regulated fares the operator must set these in accordance with DfT policy. These can only be increased in line with DfT policy to a maximum of the retail price index of July each year once a year – usually in January. Recent government policy has seen the abolition of above inflation rises and also 'flex' of price increases to correct fares anomalies. However, because regulated fares have a cap on the increase that can be applied to them effectively a cap is also applied to unregulated fares as it would be nonsensical for a train operator to increase an off-peak fare above a peak fare.
- 3.5. Train operators will set fares in a way that meets their commercial or franchise objectives set by the DfT. These can include maximising revenue, or managing demand and crowding by a price mechanism as examples.

4 Current issues

- 4.1 The train services to and from Luton and the fares charged on these illustrate the many conflicts and difficulties that passengers face as a result of these arrangements.
- 4.2 Fares on the Thameslink route have a complicated structure as a result of a decision by First Capital Connect in 2005 to impose restrictions on the use of off-peak tickets to travel back from London between 1630 and 1900 on Mondays to Fridays. This was intended to reduce crowding on Thameslink services between London, St Albans, Luton and Bedford. At the time train lengths were either four or eight coaches.
- 4.3 The restrictions mean that off-peak tickets from stations between St Albans and Bedford may not be used between 1730 and 1830. There is also a Super-Off Peak ticket that does not allow return between 1630 and 1900. However, off-peak return tickets bought from London to St Albans, Luton and Bedford can be used for the outward journey between 1630 and 1900.
- 4.4. Passengers wishing to return from London between 1730 and 1830 on Mondays to Fridays need to purchase an anytime ticket. However, if this is done through a ticket vending machine, the machine would normally only issue this ticket prior to 0930. Therefore, special arrangements have to be made to ensure that passengers travelling after 0930 can purchase this anytime ticket from the TVM. This also applies to One Day Travelcards purchased from these stations.
- 4.5. Passengers who want to travel at times when their ticket is not valid are required pay a supplementary fare otherwise they will be subject to a Penalty Fare.
- 4.6 These restrictions also apply on the neighbouring Great Northern route for stations between Stevenage, Peterborough, Cambridge and Kings Lynn. These were also put in by First Capital Connect in 2005 for the same reason as those on the Thameslink route, ie to reduce overcrowding on trains of four and eight car length.
- 4.7 The introduction of these restrictions was not popular at the time and is still a matter of passenger dissatisfaction. London TravelWatch is aware that crowding issues now occur on some trains just before 1630 and just after 1900 on leaving London, with some trains leaving just after 1630 and just before 1900 conversely operating with lower levels of occupancy.
- 4.8 Since 2015 however on both the Thameslink and Great Northern routes there has been a programme of train lengthening of up to 12 cars.
- 4.9 London TravelWatch is now of the view that the case for these restrictions on the use of off-peak tickets to return between 1630 and 1900 has now been overtaken by the introduction of longer trains and the need to reduce crowding on off-peak trains just before and just after the restrictions apply, and should therefore be removed. This would also greatly simplify the fares structure, making tickets more easier to understand, and enable simplification of options on ticket vending machines. It would also bring simpler display of fares on ticket vending machines and websites.
- 4.10 A further local fares issue is the fact that the bus service operated for Thameslink from Luton Airport Parkway to Luton Airport requires passengers to buy a separate or inclusive ticket to use it. This means often some passengers are caught out when

arriving at Luton Airport Parkway having thought that the journey to the airport terminal is included in their rail ticket to Luton Airport Parkway.

- 4.11 East Midlands Trains also presents some anomalies in respect of fares and tickets to and from Luton and Luton Airport Parkway. This arises because it follows the practice of 'Inter City' operators for fares and ticketing practice. This means that the general Group Save (2 for the price of 1) that most London commuter operators offer is not accepted by them. This causes regular confusion amongst groups of travellers from Luton Airport travelling to London, who will board the first fast train to London and then find that when their ticket is checked on route they are then given a Penalty Fare.
- 4.12 Similarly ticket vending machines at St Pancras International run by EMT do not give discounts for holders of Annual Goldcards, relying on passengers selecting the Network Railcard option, which has a different times of validity and a different geographic area.

5 Equalities and inclusion implications

- 5.1. This report poses no specific equalities and inclusion implications.

6 Financial implications

- 6.1. No specific financial implications for London TravelWatch arise from this report.

7 Legal powers and financial implications

- 7.1. Section 252A of the Greater London Authority Act 1999 places a duty upon London TravelWatch (as the London Transport Users 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.