
Secretariat memorandum

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PC015

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Cashless buses

1 Purpose of report

- 1.1 To brief members on Transport for London (TfL) proposals to go cashless on London's buses.

2 Background

- 2.1 Over the last decade there has been a steady decline in the use of cash on London's buses from over 20% in 2002 to about 1% now. This equates to 60,000 users a day, although, it should be stressed, these are different users on each day of the week.
- 2.2 TfL's market research suggests that 38% of cash fare payers do so because they forgot to top up. 31% forgot their Oyster and 18% live outside London. 13% have other reasons for paying by cash.
- 2.3 In 2014 TfL proposes to cease offering a cash fare on their buses. Travelcards, Oyster Pay-as-you-go and 'wave and pay' enabled bank payment cards will be the only means of paying a bus fare. TfL are investigating allowing Oyster carrying passengers to travel one journey using a proportion of the Oyster deposit, though this is not confirmed.
- 2.4 TfL's justification is that the proposal will result in a net saving of £24 million per annum, will speed up journeys and enable better customer service.
- 2.5 TfL accept that some passengers will not be able to board their buses. The highest numbers of cash fare payers presently use night buses or services that cross London boundaries, particularly in Surrey.
- 2.6 TfL say that they have existing procedures that protect vulnerable passengers from being stranded and in danger.
- 2.7 If the proposal goes ahead TfL are committed to a substantive marketing exercise to prepare passengers for the change.
- 2.8 TfL's consultation runs from 19 August to 11 October. Various material has been produced including a frequently asked questions report. Some of this information is appended.

3 Discussion

- 3.1 There are clearly operational and cost benefits for TfL to this proposal. The impact on 60,000 passengers a day will reduce, particularly if TfL manage to introduce the possibility of one trip using the Oyster card deposit. The greater use of bank cards and marketing will further reduce the numbers affected. The resultant speeding up of journeys will benefit passengers. Some passengers who are stranded, particularly early on, will be very annoyed.
- 3.2 Whilst TfL have procedures that mean vulnerable passengers will not be stranded, it will nevertheless be the case that some passengers will be and will have to find alternative means of travel or find an Oyster outlet.
- 3.3 The number of Oyster outlets is an issue, particularly in outer London and surrounding areas. In some cases this would contribute to there being more cash fares than otherwise would be the case. It should be noted that there are no proposals for additional Oyster outlets.
- 3.4 Some bus routes, for example route 465, operate in areas such as Dorking and Leatherhead where all other buses operate on a cash basis. There may be cases for some individual routes to retain the ability to accept cash where circumstances demand it.
- 3.5 As stated above the position regarding the use of the Oyster deposit is unclear. If this facility was available the impact would be much reduced in terms of the number of passengers left stranded. Members should consider reserving their position subject to the clarification of this very important part of the proposal.

4 Prioritisation criteria

- 4.1 The items and issues raised in this report fall within the remit of London TravelWatch and they meet the criteria for relevance and impact on transport users in the London TravelWatch area. The proposals will mean a fundamental change in the operation of London's bus services and will mean passengers being refused carriage on a bus. London TravelWatch is the only organisation with a statutory role in representing bus passengers in London.

5 Equalities and inclusion implications

- 5.1 This change will affect all passengers to some degree. Some groups will feel more vulnerable in some circumstances than others. Some groups will be less aware than others of the change when it is made. Procedures are in place to try and ensure vulnerable groups are not stranded.

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).

7 Financial implications

- 7.1 There are no financial implications for London TravelWatch arising from this report, beyond the cost of publication which will be undertaken within the existing budget.

8 Recommendations

- 8.1 Members to note the report and agree London TravelWatch's response to the TfL consultation.