



North Wing Offices, Euston Station, London NW1 2DS

Tel: 020 7983 8092

20 June 2011

Abigail Grenfell,  
Manager, Licensing and Network Regulation,  
One Kemble Street,  
London  
WC2B 4AN

Dear Ms. Grenfell,

Thank you for the opportunity to respond to ORR's consultation paper on amending operators' and Network Rail's licences with respect to passenger information, as set out in Bill Emery's letter of 29<sup>th</sup> March 2011.

Virgin Trains shares your view that accurate, timely and helpful information during times of disruption is an important issue which seriously affects passenger satisfaction with rail services, and that this is an area where improvement is required. However, we do not believe that additional licence conditions are the best way of moving the industry forward.

The market already incentivises TOCs to provide good quality information to their customers, especially on inter-city routes that face strong competition from other modes. It is a critical area of customer service, which if not delivered well risks the loss of repeat purchase, revenue and reputation. At times of disruption, information reduces conflicts between passengers and staff, as well as allowing passengers to make informed decisions about whether to make alternative travel arrangements, thus reducing the risk of overcrowding.

We have therefore made improvements of our own volition. In co-operation with Network Rail and National Rail Enquiries, we are currently hosting the pilot project for the DARWIN Customer Information System (CIS), which will be installed at all Virgin Trains stations by the end of June. It is already increasing the accuracy and consistency of information given to passengers on live train running. In the last 5 years we have participated in a Network Rail project to completely replace the CIS at all of our stations; every screen, speaker and Next Train Indicator is new. We have paid for developments to the system, which connect it to the Virgin Trains network and enable overnight updates to timetables to each station, ensuring that the correct Long Term Plan and Short Term Plan are loaded.

Where it is considered that further enhancements are required, over and above what is driven by the market, the opportunity already exists for DfT to specify these and procure them through franchise agreements. This approach can ensure that an efficient price for the improvements is secured through competitive bidding for new franchises, such as West Coast which is due to be re-let in December 2012. It also enables the benefits of improved passenger information to be traded off against the cost of delivery and decisions to be made about the appropriate level of funding. In contrast, a change to licence conditions would introduce unquantified, unfunded additional costs to the industry at the very time when the focus is on cost reduction.



We also favour the use of franchise agreements, rather than licence conditions, because they recognise the particular situations and challenges related to individual parts of the network. From a regulatory point-of-view, this approach would ensure that consequences and remedies for non-delivery by an operator are concentrated in its franchise agreement, as opposed to introducing an additional risk of licence breach. It would be unreasonable to place TOCs in a position of "double jeopardy", which the proposed new licence conditions would create.

We are also concerned about how new licence conditions may be enforced. On the one hand, good quality information is difficult to define; your draft does not indicate what would be expected and how it would be objectively measured. On the other hand, passenger information can be an emotive and subjective topic, meaning there is a risk that selective, unrepresentative and anecdotal evidence could be used to begin enforcement action.

A practical issue with the proposed licence conditions is that they put compliance with the information obligation ahead of any other consideration for a TOC. In reality, when severe disruption occurs, there is a balance to be struck between giving information to passengers and operational recovery, so that they are not only well informed but that they are able to reach their destination as safely, comfortably and quickly as possible.

Our view is that TOCs should have the ultimate responsibility for information to passengers, because they are our direct customers and they see us as their natural point-of-contact. Network Rail is a supplier to the TOCs in the process of information provision. In this context it is worth reviewing the role of Network Rail as a station operator, where this distinction of roles is blurred. In our opinion it would be a clearer arrangement, and result in better customer service, if TOCs were responsible for passenger information at all stations.

Whilst recognising that circumstances on each franchise are different and may require specific actions, it should be recognised that delivering passenger information during disruption depends on industry-wide systems and processes involving both Network Rail and TOCs. Drawing on the successful experience of Joint Performance Improvement Plans, there may be merit in a similar approach to passenger information.

National Rail Enquiries has succeeded in developing an excellent journey planning service, embracing the Internet and mobile technology to make information easily accessible for passengers. Since 2003 it has also provided some real time information through initiatives such as Live Departure Boards and Service Updates. The efforts of individual TOCs and Network Rail to continue improving passenger information could be supported by an industry scheme such as this with a remit to address the shortcomings of legacy systems (replacing as necessary) and take an end-to-end view of the process.

In the light of these issues, Virgin Trains recommends there should be further consideration of the need for new licence conditions. Alternative approaches to improving passenger information are available which would be more efficient, have a clearer regulatory regime and build on existing forms of co-operation between the TOCs and Network Rail.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Graham Leech". The signature is fluid and cursive, written in a professional style.

**Graham Leech**  
**Executive Commercial Director, Virgin Trains**