

Marcus Clements

Head of Consumer Policy
Directorate of Railway Markets & Economics

14 November 2018

Martin Howard
Head of Customer Experience
Arriva Rail North Ltd

Dear Martin

Arriva Rail North Limited (Trading as Northern)**Compliance with Condition 6 your Station Licence and GB Statement of National Regulatory Provisions: Passenger**

I refer to our recent exchanges of correspondence and subsequent discussion regarding the performance of Northern particularly in relation to complaints handling. I am grateful to you and John for meeting with me and my team to talk through your response of 8 October to my letter.

It was helpful to understand the background to the difficulties that Northern Rail has experienced with the handling of its complaints and the measures you are taking to address these problems. We recognise the challenges presented by the collapse of Carillion which necessitated bringing complaints handling in-house, and the disruption of the 20 May timetable change. We note the addition of further staff, improvements to signposting to reduce customer contacts, the adoption of a new CRM system, and work with other train operators amongst the steps you cited in seeking to address the complaints issues.

The 2015 'Guidance on Complaints Handling Procedures for Licence Holders' (the Guidance) sets out that licence holders must respond to 95% of complaints within 20 working days. As you are aware Northern have failed to meet this obligation since rail period 11 2017-18.

In your letter of 8 October you anticipated a return to compliance within the next three rail periods, although in our meeting John suggested that this may be achieved sooner.

We would expect to see progress toward compliance in your weekly reports of performance. However, we note that there has been negligible improvement in the last two rail periods including the four weeks since our meeting. We are concerned that the measures you have in place have not demonstrated sufficient progress toward achieving the necessary compliance with requirements.

As you are aware, a failure to comply with your Complaints Handling Procedure may constitute a breach of Condition 6 of your station licence and GB Statement of National Regulatory Provisions: Passenger. A copy of our economic enforcement and penalties statement is published on our website¹. An important consideration for us will be the likely impact of our intervention. Factors which we will take into consideration in measuring that impact include evidence to suggest a systemic rather than an isolated incident, and circumstances that suggest conduct that is recurrent rather than occasional and/or whether the conduct is ongoing or in the past.

I shall be grateful if you will review your plans for achieving compliance with regulatory requirements to ensure that Northern do so swiftly, that compliance is sustained thereafter, and that measures are in place to ensure that there is resilience to future increases in complaints volumes.

I look forward to hearing from you by midday Friday 23 November 2018.

As with previous correspondence, we may publish this letter and your response on our website.

Yours sincerely



Marcus Clements

CC. John Smith

¹ http://orr.gov.uk/_data/assets/pdf_file/0018/4716/economic-enforcement-statement.pdf

