

Correspondence with Omio regarding the transparency of online rail ticket fees

ORR has redacted all personal data

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Jacqui Russell
Head of Consumer Policy



Darren Williams,
Commercial Director Omio
[by email]

11 December 2023

Dear Darren,

Transparency of fees charged by online rail ticket retailers

We have today published a report on the transparency of fees charged by online rail ticket retailers. This report and the underlying review were conducted as part of our powers to monitor, investigate and enforce compliance with consumer law principles governed by the relevant legal framework.

The review has identified questions with respect to the transparency of the service that Omio provides for its customers. We write to request further information and clarifications about your current approach and to invite you to make changes in view of the points raised. We would be grateful for a response by Friday 19 January.

Background to the legal framework

The consumer law framework aims to ensure that businesses are fair and open in their dealings with consumers. The Office of Rail and Road (ORR) has consumer enforcement powers for the rail sector, concurrent with the Competition and Markets Authority (CMA). We are a Designated Enforcer under Part 8 of the Enterprise Act 2002 (EA02) and have the power, where there is evidence of harm to the collective interests of consumers, to take enforcement action.

The two key pieces of legislation are:

- Consumer Protection from Unfair Trading Regulations 2008 – These prohibit unfair commercial practices, including misleading actions and omissions. They prohibit failing to provide material information in an invitation to purchase, that are likely to impact a consumer’s transactional decision. A misleading action can include providing a consumer with false information about the price of a product, or the way the price is calculated, or presenting the pricing information in a way that is likely to mislead the consumer, even if the facts themselves are accurate.
- Consumer Rights Act 2015 – The two key principles of this legislation are that contractual terms should be transparent and fair. For a contractual term to be transparent, it should be written in plain and intelligible language and be legible. In terms of fairness, a contract term is understood to be unfair if it causes a significant imbalance in the parties’ rights to the detriment of the consumer.

Consumer law principles: fees charged to customers

We are looking to improve compliance with this consumer protection legislative framework. Informed by this framework, we have identified a set of core principles relating to the application of fees (see Annex), which we are looking to uphold through this work. These principles seek to reduce various risks consumers face when they are presented with particular commercial practices. For example, paying more for their purchase than they had expected to pay because of drip pricing; or paying fees that they have not made an informed decision to accept, as they were not aware of the charges up front.

In order to improve industry practice we are looking at two specific areas, the presentation of fees during the booking process and information provision for customers about the terms and conditions of the service they are engaging.

Our review

We reviewed the information provided on 40 online rail ticket retailers' desktop websites and mobile apps in respect of booking fees (including finder's fees for split ticket options), fulfilment fees and refund/amendment fees.

We made test purchases for a low-value Anytime single fare, and simulated purchases for a long-distance journey, from each desktop website and mobile app. We gathered information utilising screen recordings and screenshots to capture our experience of the ticket sales process.

Our findings - Omio

Consumer principle A: Booking fees

We found that Omio did not incorporate its mandatory booking fee in the upfront price first displayed to consumers and therefore did not provide consumers a clear indication of the exact cost of their booking at the earliest opportunity. The mandatory booking 'service' fee was included in the price on the third page of the booking process on the website and the fourth page of the booking process on the app.

We welcome that when first shown the breakdown of the total price it is displayed in a clear format, but this is not provided at the earliest opportunity in the booking process.

Please explain (alongside any supporting evidence) as to:

1. Why Omio does not include the mandatory service fee within the upfront price, *and* your proposals for change in this respect;
2. Why Omio does not provide a breakdown of the service fee earlier in the sales process, *and* your proposals for change in this respect;

3. The minimum and maximum fee(s) that Omio will charge alongside a clear explanation by way of example scenario(s) as to when they will apply;

Consumer principle B: Fulfilment fees

We note that Omio do not offer any fulfilment options with fees.

Consumer principle C: Information provision

We note that your website states that some bookings require a service fee but does not provide consumers with sufficient information to make an informed decision about whether to use your service in light of the fees you charge. The Omio website and app includes a broad statement that some bookings require a payment of a service fee, but does not provide any further explanation. Further, this information is not always easy to locate on your website. There is no information on your homepages that makes clear that you charge booking fees. On the website and app, we found information by clicking through to Help and searching the term 'fee'.

We note that Omio provided accessible information on refunds and their associated fees during the sales process, as well as on its website.

Please explain (alongside any supporting evidence) as to:

4. Why Omio does not provide fuller information to consumers on how fees are calculated and the range of fees that may apply on its information pages, *and* your proposals for change in this respect;
5. Why Omio's information about fees is not more easily accessible to consumers, *and* your proposals for change to ensure improved access to this information with emphasis on transparency for consumers.

Next steps

We seek your responses to this correspondence and the queries raised by Friday 19 January via email to Consumer@orr.gov.uk. In the meantime, if you have any questions, please contact me directly by email.

The information you provide will contribute to our decisions on next steps. We plan to publish this letter and your response on our website. Should you wish to provide us with information that you consider to be commercially confidential, please provide this in a separate document, and we will take your representations into account accordingly.

Yours sincerely

Jacqui Russell

Annex: Consumer law principles

Presentation of fees during the booking process

A. Where there is a mandatory fee for purchasing a rail ticket online:

A1. it should be included in the price at the earliest opportunity, which for rail ticket purchases is commonly the upfront price that is first displayed to the consumer.

A2. It should be clear to the consumer that a fee is being charged and how much it is throughout the booking process.

B. Where there is a ticket fulfilment option available for a fee:

B1. it should not be pre-selected.

B2. where an option with a fee is selected by the consumer, it should be immediately included in the total price displayed to the consumer.

Information provision for consumers

C. There should be readily available, transparent and accurate information online for consumers to read in advance of engaging with the booking process about:

C1. mandatory booking fees associated with ticket purchases. This should explain when fees apply, state the level of any fixed fees, and explain how variable fees are determined (for example whether fees vary with ticket price, timing of purchase or any difference in fees between website and app purchases).

C2. ticket delivery options and any fees associated with each option.

C3. eligibility for refunds and ticket amendments, and any associated costs.



The Legal Department
GoEuro Corp.

Jacqui Russell
Head of Consumer Policy
Office of Rail and Road
{By email}

19 January 2024

Dear Sirs,

Response to letter dated 11 December 2023

We acknowledge receipt of your letter dated 11 December 2023, which brought to our attention the ORR's concerns regarding Omio's compliance with regulations on transparency of fees. Your commitment to upholding industry standards is appreciated, and we welcome the opportunity to address the matters raised while ensuring a balance with our business strategy and goals.

We recognize the importance of adhering to consumer law principles and understand the significance of providing clear and accurate pricing information to our customers. Our team is engaged in a comprehensive review of our pricing practices to improve the situation.

In the spirit of collaboration and transparency, we wish to express our readiness to engage in an open dialogue with the ORR. We are committed to working closely with your department to address any outstanding concerns and to establish a framework that ensures ongoing compliance with consumer law principles while at the same time maintaining the quality of our business operations and customer experience.

Yours sincerely,

The Legal Department of GoEuro Corp.

1. Why Omio does not include the mandatory service fee within the upfront price, and your proposals for change in this respect;

Omio does not currently display the service fee on the search results page as this value is not technically available at this level. The reason for this is that part of the service fee is determined based on the carrier, and a single search can be associated with multiple carriers. Therefore, from a technical point of view, based on the way the model is configured, the display of the service fee on the search results page is not considered to be the "earliest opportunity", as the customer needs to select a specific carrier and fare to trigger the calculation of the fee.

Omio is currently developing a new system with new parameters that will remove the transport operator parameter to allow the service to be moved to the search results page. Work on this system is already underway.

Omio faces the challenge of not compromising the customer experience when migrating to this new system. Omio's business model is based on multi-modal search (bus, air, rail and flight), unlike most online platforms that only offer rail booking services, so the number of carriers Omio displays in a single search is likely to be much higher than on similar platforms. As a result, charging all service fees at this level would drastically affect the loading time of the results and then provide a very poor customer experience to our users, which could have a drastic financial impact on Omio's business.

Example Madrid-Barcelona: there are 6 different train operators, 1 bus operator and 2 airlines on this route. There are 9 different service fees to be calculated per search for this route alone.

2. Why Omio does not provide a breakdown of the service fee earlier in the sales process, and your proposals for change in this respect;

The reason for the late display of the service fee in the booking funnel is due to the legacy systems that Omio originally used which are different from the App and the website. Over the years, our systems have undergone significant development and improvements, resulting in a complex configuration for each step of the booking process. This variety of configurations has made it difficult to implement a consistent way of displaying booking fees across all stages of the booking funnel.

To address this issue comprehensively, we are currently in the process of overhauling our entire service fee calculation system to ensure a seamless and consistent user experience. Our goal is to streamline the calculation and display of service fees and make this information available to users at the earliest possible stage in both the app and web platforms.

3. The minimum and maximum fee(s) that Omio will charge alongside a clear explanation by way of example scenario(s) as to when they will apply;

Service fees at Omio are dynamic and although there are minimum and maximum amounts that can be charged to users, these amounts may change over time. These changes are explained by modifications in rail or bus company pricing changes (for example the average ticket price between Paris and London with Eurostar increased by 27% between 2021 and 2023), or by changes in demand throughout the year, or lastly by structural evolutions in Omio's cost structure.

Currently the minimum fee applicable for UK rail is 0.45 GBP¹ and the maximum one is 11 GBP². These are subject to change over time.

4. Why Omio does not provide fuller information to consumers on how fees are calculated and the range of fees that may apply on its information pages, and your proposals for change in this respect;

We recognise the importance of transparency and clarity in fee communication and are committed to improving our practices to meet these expectations.

Currently, our fee information is primarily located within the Terms and Conditions section. Recognising the need for improved accessibility and understanding, we have developed a plan to expand this information into a dedicated section. This new section will give consumers an insight into why fees are charged and provide general information on how they are calculated.

It's important to note that Omio uses a dynamic model that takes into account a variety of criteria to determine the amount of fees associated with a

¹ Annex 1

² Annex 1

booking. These criteria, such as language, domain, provider, route, etc., may change over time based on various factors. It may therefore not be possible to provide specific parameters in the statement due to the evolving nature of our dynamic fee model.

Our proposed changes include:

- **Dedicated fee information section:** We will create a dedicated section on our platform to explain why fees are charged and provide general details on how they are calculated.
- **Explanation of criteria:** While we may not be able to provide specific parameters due to the dynamic nature of our pricing model, we will outline the various criteria that are considered in determining fees. This will help consumers understand the factors that influence the cost of their bookings.
- **Regular updates:** Recognising that the criteria may change over time, we commit to providing regular updates to ensure that consumers can access information on any adjustments to the fee calculation methodology.

We believe that these improvements will contribute significantly to a more transparent and consumer-friendly experience on our platform. We remain open to further engagement with this authority to refine and improve our practices in line with industry standards.

5. Why Omio's information about fees is not more easily accessible to consumers, and your proposals for change to ensure improved access to this information with emphasis on transparency for consumers.

In order to avoid having information about fees in our terms and conditions that can be difficult for our customers to find, we plan to add a dedicated fee information section as part of our FAQ section. This section will be easily accessible via a direct link from our [Help Center](#), ensuring that customers can quickly find comprehensive details on why fees are charged and how they are calculated.



Manage my Bookings

- Cancel My Ticket
- Change My Ticket
- Travel Company Policies



Troubleshooting

- Payment Support
- Account Support



Booking with Omio

- About Omio
- FAQs**
- Rail Passenger Rights

Annex 1

Example 1: £0.45 fee on West Malling Station to Sevenoaks Station.

● OUTBOUND

Tue, Jan 16 8:22 AM – 8:55 AM
West Malling station (WMA) - Sevenoaks station (SEV) ▾

southeastern +
ThamesLink / 0h33m • 1 transfer

See your [ticket details](#)

Tickets (1 passenger)	£9.68
Service fee ⓘ	£0.45
Total (taxes included)	£10.13

Example 2: £11 GBP fee on Avanti West Coast train from London to Glasgow.

● SELECTED OUTBOUND

Fri, 12 Jan 08:30 – 13:04
London Euston (EUS) - Glasgow Central (GLO) ▾

avanti West Coast 4h34m • 0 changes

See your [ticket details](#)

Tickets (9 passengers)	£1,057.74
Service fee ⓘ	£11.00
Total (taxes included)	£1,068.74



Moira Jimenez Guelbenzu
Head of Legal
Legal Department
Omio Corp.

Jacqui Russell
Head of Consumer Policy
Office of Rail and Road
{By email}

16 February 2024

Dear Jacqui,

Thank you for the call outlining your expectations regarding the integration of our service fee into the price displayed to Omio's customers at the earliest opportunity, as well as the establishment of a dedicated fee information section on our website.

Our planned timescales for implementing these changes are as follows:

- **Display of the service fees at the earliest opportunity:** As explained in our previous letter and on our call, we are working on the migration to a new system to improve the calculation of our service fees. This

migration involves several phases, including discovery, design, development, testing and implementation, as well as resources such as designers, developers, product managers or pricing specialists. We aim to complete this migration to the extent that it would enable us to display the fees at the earliest opportunity in the booking flow by the end of 2024. Throughout this process, we will ensure that customers are clearly informed about the inclusion of the fee and its amount during the booking process.

- **Dedicated fee information section:** We commit to establishing a dedicated fee information section on our website within two months from the date of this letter.

We understand your concerns about the timeline for migrating to a new system. Therefore, as we develop, test, and implement such a system, we shall take **interim steps** to make service fees information readily available to our customers. This shall include display of the fee information on relevant pages of our website. By mid March, we will share mockups for your evaluation.

We would like to emphasise our commitment to open communication and cooperation throughout this process in order to reach a mutually satisfactory solution. Please contact us with any questions or concerns you may have.

Yours sincerely,

Moira Jimenez Guelbenzu

Jacqui Russell
Head of Consumer Policy



Moira Jimenez Guelbenzu
Head of Legal, Omio
[By email]

Dear Moira,

11 March 2024

Transparency of fees charged by online rail ticket retailers

Thank you for your responses to our letter of 11 December 2023. In our letter, we identified questions with respect to the transparency of the service that Omio provides for its customers and invited you to make changes in view of the concerns raised. I am now writing to acknowledge the positive steps that you have committed to take. These actions, when taken together, address our concerns.

Background

The consumer law framework aims to ensure that businesses are fair and open in their dealings with consumers. We published a report on the transparency of fees charged by online rail ticket retailers in December 2023. Our report and the underlying review were conducted under our powers to monitor, investigate and enforce compliance with this legal framework. In order to improve industry practice we looked at two specific areas, the presentation of fees during the booking process and information provision for customers about the terms and conditions of the service they are engaging.

Informed by the consumer law framework, we identified a set of core principles relating to the application of fees. These principles seek to reduce various risks consumers face when they are presented with particular commercial practices. For example, paying more for their purchase than they had expected to pay because of drip pricing; or paying fees that they have not made an informed decision to accept, as they were not aware of the charges up front.

When we published our report we, at the same time, wrote directly to those retailers where we had concerns in relation to their practices and the risk of harm being caused to consumers.



Consumer principle A: Booking fees

We asked why Omio does not include the mandatory service fee within the upfront price, and why a breakdown of the service fee is not provided earlier in the sales process.

We acknowledge that you are in the process of developing a new system that will improve the calculation and display of your service fees, and understand that you plan to complete this migration by the end of 2024. We discussed our concerns over the length of this timeline with you, and acknowledge that you will take interim steps during 2024 to make service fee information readily available to customers. We understand that you will share proposals with us in mid-March.

Consumer principle C: Information provision

We asked why Omio does not provide fuller information on how fees are calculated and the range of fees that may apply, and why the information about fees is not more easily accessible to consumers.

We acknowledge your commitment to establishing a dedicated fee information section on your website by mid-April 2024.

Next Steps

Omio has committed to implementing the actions necessary to address our concerns. We will monitor your progress in delivering your commitments. Please share with us your proposals for the interim steps you have committed to take before the end of March 2024, and provide a link to the updated fee information on your website before the end of April 2024. We will then agree reporting dates with you through to the end of 2024 for the other planned changes.

Yours sincerely

Jacqui Russell