

Correspondence with Trainpal regarding the transparency of online rail ticket fees

ORR has redacted all personal data

Correspondence type	Page number
ORR's initial letter to Trainpal	2
Trainpal's response	5
ORR's response to Trainpal	9

Jacqui Russell
Head of Consumer Polciy



Alvaro Ungurean
Commercial Director, Trainpal
[by email]

11 December 2023

Dear Alvaro,

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 Trainpal 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 -Trainpal

Consumer principle A: Booking fees

We observed that Trainpal charges fees for purchases made on its website, and no fees for purchase made via its app. We found Trainpal did not incorporate its mandatory booking or split ticket fee in the upfront price for website purchases and therefore did not provide consumers a clear indication of the exact cost of their booking at the earliest opportunity. The mandatory booking fee was included in the price at the final stage of the booking process on the website.

We noted the breakdown of the total price into its component parts when it is displayed on the website, but this is not shown at the earliest opportunity in the booking process. This was displayed initially in a popup when hovering over the price of the ticket on the second page of the booking process. It was displayed with equal prominence on the third page of the booking process.

Please explain (alongside any supporting evidence) as to:

1. Why Trainpal does not include the mandatory booking or split ticket fee within the upfront price, *and* your proposals for change in this respect;

2. Why the price breakdown does not give prominence to each of the charges being levied *and* your proposals for change in this respect;
3. The minimum and maximum booking fee(s) that Trainpal may 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 Trainpal does not offer fulfilment options with fees.

Consumer principle C: Information provision

We note that a prominent banner at the bottom your website states you do not charge booking fees for buying tickets with your app. However, we could not find information on your website that stated Trainpal charges booking or split ticket fees for purchases made through the website. It is first apparent during the booking process a fee will be charged. This does not provide consumers with sufficient information to make an informed decision about whether and how to use your service in light of the fees you charge.

We noted that Trainpal 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 Trainpal does not provide fuller and readily available 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.

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.



Jacqui Russell
Head of Consumer Policy
Office of Rail and Road
25 Cabot Square
London
E14 4QZ

By email

18 January 2024

Dear Jacqui

Thank you for your letter and the follow-up discussion which we found very constructive. We welcome your review of the transparency of fees charged when purchasing rail tickets online and believe it will benefit the industry as a whole.

We have set out our response and proposed actions below, as per our call. We hope that these address your queries and concerns, provide you with reassurance that we take our obligations seriously and display our commitment to providing the best experience for our customers.

1. Booking fees

We do not charge fees on our APP, we only charge fees on our website. We charge a service fee for split tickets and a booking fee for a very limited number of tickets. Our split ticket service fee is 12% of what the user saved due to the split ticket, up to a maximum of £1.99. By 29 February 2024, we will update our approach to booking fees; our fee will be 2.5% of the total ticket price up to a maximum of £15. We will ensure that such fees are included in prices at all times. This requires adjustments to our system which we expect to be finalized by 31 March 2024. As you noted, we do not charge fulfilment fees.

2. Price breakdown

We already provide a full and clear price breakdown on the second and third pages of our booking process. We will enhance this by including the breakdown on the search page once the user has selected a ticket. We have attached an example of this in Appendix 1 for your reference. We aim to implement this by 31 March 2024.



3. Information provision

We currently provide information on fees in our price breakdown. We will enhance this by including more information on fees in the FAQ section of our website. We have attached an example of this in Appendix 2 for your reference. We aim to implement this by 31 January 2024.

We welcome any further follow-up discussions if you have any additional questions or concerns.

Your sincerely

Alvaro Ungurean

Commercial Director, Trainpal



Appendix 2

1. What kind of fees does TrainPal charge?

We charge a SplitTickets service fee on our website. Sometimes we charge a booking fee on our website - when a booking fee applies to your ticket it will be included in the total price and the amount of the booking fee will be displayed once the ticket is selected. We do not charge any fees on our APP.

2. How are the fees are calculated?

When a booking fee applies, TrainPal charges 2.5% of the total ticket price with a maximum booking fee of £15.

For SplitTickets, TrainPal charges 12% of the difference between the original price and the SplitTickets price with a maximum split ticket service fee of £1.99.

Jacqui Russell
Head of Consumer Policy



Alvaro Ungurean
Commercial Director, Trainpal
[By email]

11 March 2024

Dear Alvaro,

Transparency of fees charged by online rail ticket retailers

Thank you for your response to our letter of 11 December 2023. In our letter, we identified questions with respect to the transparency of the service that TrainPal 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 Trainpal does not include the mandatory booking fee within the upfront price, and why the price breakdown does not give prominence to each of the charges being levied.

We acknowledge that you are updating your approach to calculating booking fees for purchases made on your website and will then update your system to include the fee in the price at all times and provide a clear price breakdown on the search page. We understand that you expect these changes to be implemented by the end of March 2024.

We acknowledge that you do not charge fees on your app.

Consumer principle C: information provision

We asked why Trainpal does not provide fuller and readily available information to consumers on how fees are calculated and the range of fees that may apply on its information pages.

We acknowledge that you have already updated the information on your website FAQ.

Next Steps

Trainpal has taken steps to implement the actions necessary to address our concerns. We will monitor your progress in delivering your final actions. Please provide a written update to us by the end of April 2024.

Yours sincerely

Jacqui Russell