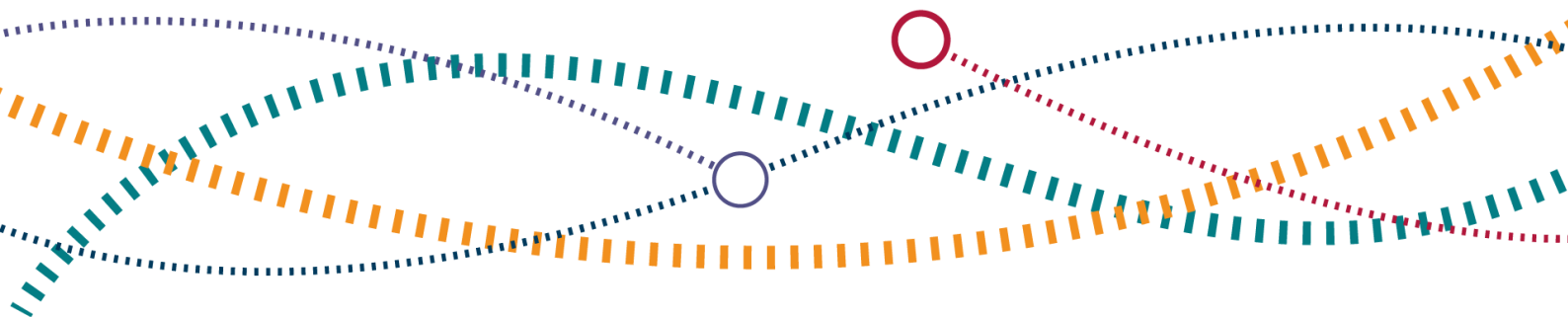




Statement of Scope

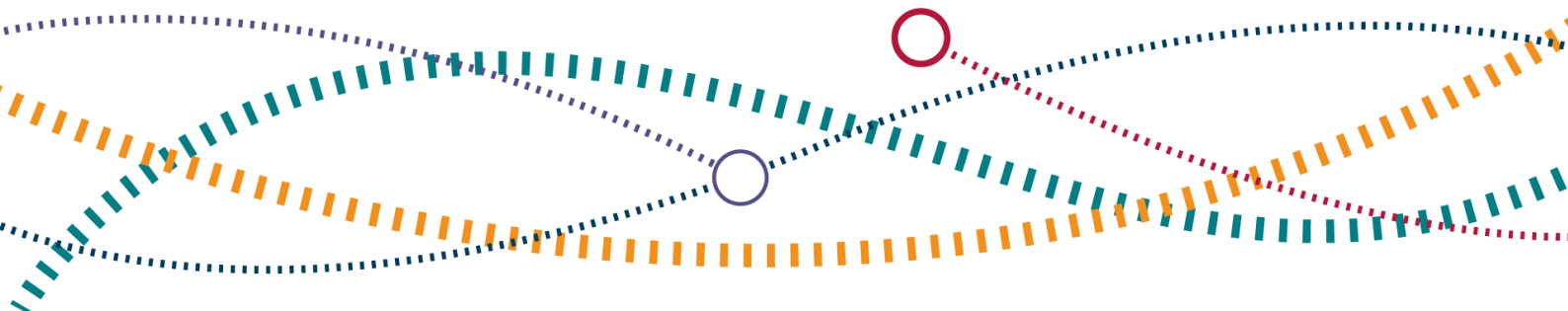
Rolling stock maintenance market review

29 April 2026



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1. Introduction

- 1.1 The Office of Rail and Road (ORR) is reviewing the market for the maintenance of passenger rolling stock in Great Britain. This document sets out the purpose and scope of this review. It outlines the background to the market, the matters we propose to examine, and our intended approach to gathering evidence. We also invite views from interested parties on the matters raised.
- 1.2 Our core purpose is to protect the interests of rail users by improving the safety, value and performance of railways, today and in the future. As part of this role, we monitor how rail-related markets are functioning and, where appropriate, undertake targeted reviews to assess whether market features may be limiting effective competition or value for money for passengers, freight customers and taxpayers. In promoting competition, and delivering benefits for consumers and businesses, we aim to support the Government's mission of delivering economic growth.

Context for the market review

- 1.3 Passenger rolling stock maintenance is a critical component of the railway system in Great Britain, ensuring that trains remain safe, reliable and available for service. It represents a significant proportion of the overall cost of operating passenger rail service, with train operators spending around £1.5 billion each year on rolling stock maintenance.
- 1.4 Effective maintenance arrangements support good outcomes for passengers and funders by promoting reliability, performance and value for money. Well-functioning and competitive markets can help ensure that maintenance services are delivered efficiently, that costs and risks are transparent, and that operators are able to make informed choices about how maintenance is procured and provided.
- 1.5 ORR has received representations from certain stakeholders indicating potential concerns in the maintenance market, particularly relating to the structure of long-term maintenance arrangements, the transparency of maintenance costs, and the extent to which maintenance provision is contestable at contract renewal. These issues often arise in the context of arrangements where maintenance is delivered under long-term agreements.

- 1.6 Such features may have implications for value for money and for the ability of operators and funders to understand, manage and benchmark maintenance expenditure over the life of rolling stock assets. They may also affect the extent to which alternative providers are able to enter or compete to deliver maintenance services.
- 1.7 Through this review, we will seek to improve our understanding of how the passenger rolling stock maintenance market operates in practice, and to assess whether features of the market may be limiting transparency, contestability or efficiency. The review will be exploratory and proportionate and will inform any decision on whether further action may be appropriate.

ORR's role

- 1.8 ORR is the independent economic and safety regulator for the railways in Great Britain, and the monitor of performance and efficiency for England's motorways and trunk roads. We hold concurrent powers with the Competition and Markets Authority (CMA) to apply competition law in markets for services relating to railways.
- 1.9 Section 69 of the Railways Act 1993 places a duty on ORR, so far as practicable, to keep under review the provision of railway services and to collect information to facilitate the exercise of its functions. In carrying out that duty, ORR may undertake targeted reviews to develop a clearer understanding of how particular rail-related services are provided and operate in practice. This market review forms part of that activity.
- 1.10 To support the effective delivery of our statutory duties and strategic objectives, we seek to promote and protect the existence of well-functioning, efficient and competitive markets for products and services relating to railways, including the provision of rolling stock maintenance.

The market review process

- 1.11 Market reviews are one of several tools available to us to examine how markets are functioning. These exercises allow us to develop our understanding of market dynamics, gather evidence, and assess whether market features may be limiting transparency, efficiency or effective competition.
- 1.12 The purpose of this market review is to:

- develop an evidence-based understanding of how the passenger rolling stock maintenance market operates in practice;
- assess whether features of the market may adversely affect value for money, transparency or contestability; and
- consider whether further action may be appropriate.

1.13 We will gather evidence through a combination of stakeholder engagement, targeted requests for information and an invitation to comment, which can be found in Chapter 4.

1.14 A market review can lead to a range of outcomes, including:

- taking no further action where the evidence does not support intervention;
- engaging with industry to promote improvements in transparency, information sharing or commercial practices;
- making recommendations to industry or government;
- using our sector-specific regulatory powers, where appropriate; and/or
- considering the use of competition law powers or escalation to a statutory market study or other tools where justified.

1.15 The above list is not exhaustive. We will keep an open mind as to the appropriate outcome of the review and any subsequent steps.

1.16 In line with our published approach to monitoring and reviewing markets, we generally expect market reviews to be completed within around six months. Subject to the nature and complexity of the issues identified, we currently anticipate publishing our findings from this review in Autumn 2026. The form and content of any publication will depend on the evidence obtained and the conclusions we reach, and may range from a short findings update to a more in-depth analysis where appropriate. Publication of findings from this review would not preclude ORR from taking further action, including using other tools where justified.

1.17 Further information on ORR's approach to monitoring and reviewing markets is available in our [guidance](#).

Why a market review is the appropriate tool

- 1.18 A market review is a flexible, proportionate mechanism for developing the evidence base and understanding whether market features may warrant further action.
- 1.19 We consider a market review appropriate at this stage because:
- we need further evidence in order to understand whether concerns are widespread and what impact they have on outcomes;
 - a review enables stakeholder engagement and hypothesis-testing without the formality of statutory processes; and
 - the review can assess whether concerns could be addressed through proportionate measures or require escalation.
- 1.20 If we are unable to gather sufficient information and it is apparent to us that serious issues might exist in the market, we will consider upgrading our review to a market study which will give us access to powers under Section 5 of the Enterprise Act 2002 to obtain information.

Evidence gathering

- 1.21 We intend to gather evidence from:
- requests for information to relevant stakeholders, including train operators, rolling stock companies (ROSCOs), Original Equipment Manufacturers (OEMs) and other maintenance providers;
 - stakeholder engagement, including bilateral meetings and roundtables;
 - qualitative and quantitative analysis of contractual arrangements and market outcomes; and
 - analysis of existing data, industry information and prior research.
- 1.22 We invite submissions on the matters raised in this document, including responses to the questions set out in Chapter 4. Details of how to respond, including relevant deadlines, are also available on our [website](#), where we will publish any updates on our review.

2. Background

- 2.1 This chapter provides an overview of the passenger rolling stock maintenance market in Great Britain. It describes the key features of the market, outlines the potential issues identified through our initial stakeholder engagement.

General overview

- 2.2 Passenger rolling stock maintenance covers the inspection, servicing, repair and overhaul of trains to ensure they remain safe, reliable and available for service. It represents a substantial component of the overall cost of operating passenger rail services.
- 2.3 Based on available evidence, expenditure on rolling stock maintenance in Great Britain is significant. In the year ending 31 March 2025, franchised passenger operators spent £4.1 billion on rolling stock leasing and maintenance – approximately £2.7 billion on leasing from ROSCOs and £1.5 billion on maintenance delivered in-house and by third parties. These figures, drawn from ORR's [Rail Industry Finance statistics](#) for April 2024 to March 2025, show the scale of expenditure across the passenger sector.
- 2.4 Maintenance arrangements vary across fleets but are commonly embedded within long-term contractual structures. These agreements are often closely linked to the design, manufacture or leasing of rolling stock and may extend across a substantial proportion of an asset's operational life.

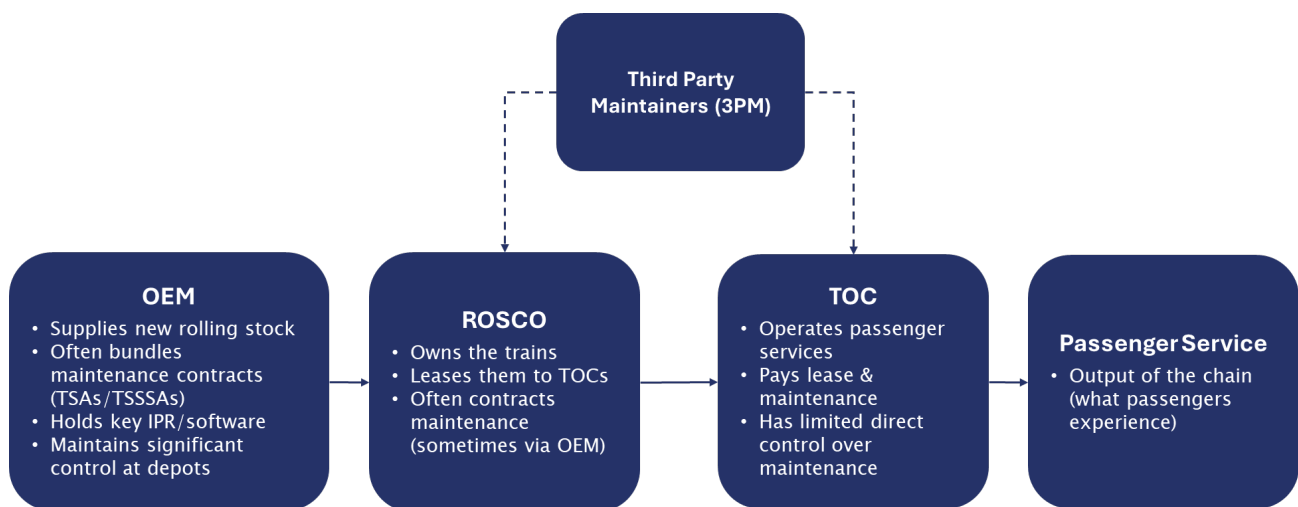
Main market participants

- 2.5 The passenger rolling stock maintenance market involves several interdependent participants:
- **Train Operating Companies (TOCs)** – primary buyers of maintenance services, responsible for service delivery and operational performance.
 - **Rolling Stock Companies (ROSCOs)** – owners of most rolling stock, often responsible for aspects of heavy maintenance and asset stewardship.
 - **Original Equipment Manufacturers (OEMs)** – providers of rolling stock design, manufacture, maintenance, spares and technical support under long-term agreements.

- **Third-Party Maintainers (3PMs)** – independent maintainers, primarily active on older fleets or where operators have flexibility.
- **Depot owners** – owners of buildings, track and other facilities adjacent and/or connected to the railway where maintenance takes place.
- **Government and public bodies** – DfT, devolved authorities and public operators influence incentives, funding and commercial frameworks.

How the market works

Figure 2.1 The rolling stock maintenance market value chain



2.6 Based on our current understanding, passenger rolling stock maintenance in Great Britain is commonly delivered through a combination of the following arrangements:

- **Contractual structures:** long-term agreements such as **Train Services Agreements (TSAs)**, under which an OEM typically assumes primary responsibility for the maintenance, reliability and availability of a fleet, often within a broader full-service operating arrangement, and **Technical Support and Spares Supply Agreements (TSSSAs)**, which focus on the provision of technical support, documentation and spare parts.
- **Allocation of responsibilities:** depending on the leasing model, responsibility for maintenance is allocated in different ways. Under a dry lease, the operator is responsible for all maintenance activities, including both routine and heavy maintenance, whether delivered in-house or through third-party or OEM support. Under a wet lease, responsibility traditionally sits with the vehicle owner; however, in Great Britain this is commonly a “soggy”

lease, where responsibility is split, with the operator delivering routine maintenance and the owner retaining responsibility for heavy maintenance. As a result, maintenance responsibilities may be shared between TOCs, ROSCOs and third-party providers.

- **Role of OEMs:** OEMs frequently provide maintenance for newer fleets due to access to and ownership of proprietary technical information, diagnostics and intellectual property (IP).
- **Variation across fleets:** newer fleets tend to operate under OEM-led long-term arrangements, while older fleets may be maintained in-house or by independent providers.
- **Inputs and infrastructure:** maintenance requires access to technical data, spare parts and depot facilities, which can influence market entry and expansion.

Matters we will explore

- 2.7 Initial intelligence suggests features of the passenger rolling stock maintenance market that merit further examination.
- 2.8 Stakeholders have raised concerns that limited transparency in the pricing of OEM-led, long-term maintenance arrangements may make it difficult for operators to assess underlying costs and compare value for money across providers.
- 2.9 Stakeholders have suggested that OEM-led, long-term contracts may limit switching opportunities due to access to technical information, IP, spares and other key inputs.
- 2.10 Contract duration, complexity and linkages with leasing arrangements may restrict opportunities to renegotiate terms or introduce greater competitive tension.
- 2.11 These issues may affect value for money and the efficient use of public funds, given the scale of maintenance costs and the public funding that supports passenger rail services which is why we are exploring the matters further.

3. Scope

- 3.1 This chapter sets out the scope of the market review, including the products and services within scope, the proposed geographic coverage, and the key themes that we will examine.

Geographic scope

- 3.2 Our review covers passenger rolling stock maintenance in Great Britain (England, Scotland and Wales), excluding Northern Ireland.
- 3.3 It focuses on passenger fleets that operate on the mainline across franchised, public and open-access operators. Freight, trams, light rail and non-mainline (including London Underground) rolling stock maintenance are not a primary area of focus for us at this stage, but we may consider these for comparative purposes where relevant.

Products and services within scope

- 3.4 Rolling stock maintenance includes inspection, servicing, repair and overhaul activities required to ensure that passenger rolling stock is safe, reliable and available for operation.
- 3.5 The review focuses on long-term, fleet-level arrangements that influence provider choice, delivery structure and/or long-term maintenance costs, including:
- Train Service Agreements (TSAs);
 - Technical Support and Spares Supply Agreements (TSSSAs); and
 - equivalent long-term maintenance, availability or heavy-maintenance agreements.
- 3.6 The focus of our review will be on the ability of TOCs to choose between maintenance models such as those listed in the previous paragraph, and hence maintainers. We do not propose to focus on the sub-supplier market that sits beneath this. While such arrangements are not the primary focus of this review, evidence relating to them will be considered where it is relevant to understanding comparators, constraints, or outcomes in the wider maintenance market.

Themes we propose to consider

3.7 The review will focus on three themes:

- how competition is working;
- what outcomes this leads to; and
- whether further action may be appropriate.

How competition is working

3.8 We will examine the extent of competition in the procurement and delivery of maintenance services. This includes:

- market structure and concentration;
- barriers to entry and expansion (data, IP, spares, depot access); and
- switching and contestability at renewal.

3.9 We will consider interactions between maintenance contracts, leasing arrangements and participant roles.

What outcomes this leads to

3.10 We will assess how outcomes compare to those expected in a well-functioning market. This includes:

- cost transparency and comparability;
- relationship between cost, performance and availability; and
- improvements in efficiency and innovation.

3.11 Given the scale of public funding supporting passenger rail, the review will consider how market outcomes affect the efficient use of public resources.

Whether further action may be appropriate

3.12 Based in our findings we will consider appropriate next steps, in line with the range of outcomes summarised at paragraph 1.14 above.

4. Invitation to comment

- 4.1 We will send a request for information directly to the businesses that are the focus of our review. The request will invite businesses to provide us with the information we need to develop our understanding of the market.
- 4.2 We also welcome submissions from any interested parties on any of the matters raised in this Statement of Scope.
- 4.3 The review will strive to gather the most current information available, typically spanning the past five years. This comprehensive approach aims to provide a holistic understanding of the market and its dynamics. While the primary focus will be on recent data, there may be instances where older information is sought and considered if it contributes to explaining the current market situation or provides insights into the market's structure.
- 4.4 Information and updates about this review will be added to our website.

Responding to this Statement of Scope

- 4.5 Please email written submissions on the market review by **10 June 2026** to:
Email: rollingstock2026@orr.gov.uk
- 4.6 We intend to publish responses to this Statement of Scope, therefore:
- Please supply a brief summary of the interests or organisations you represent, where appropriate.
 - Please consider whether you are providing any material that you consider to be confidential and explain why this is the case. The factors that we must have regard to in these circumstances are set out in Annex A. Please provide both a confidential and non-confidential version of your response.
- 4.7 If you are an individual (i.e. you are not representing a business or other organisation), please indicate whether you wish your response to be attributed to you by name or published anonymously.
- 4.8 An explanation of how we will use information provided to us can be found in Annex A.

Annex A: Use of information provided to ORR

Why is ORR asking for information?

- A.1 The information you provide will help us better understand the market for passenger rolling stock maintenance and identify any competition issues.

Will ORR take steps to protect my information?

- A.2 We may only publish or share information in specific circumstances set out in legislation (principally in sections 71 and 145 of the Railways Act 1993). In particular, prior to publication or any such disclosure, we must have regard to (among other considerations) the need for excluding, so far as is practicable:
- any information relating to the private affairs of an individual which might, in our opinion, significantly harm the individual's interests; or
 - any commercial information relating to a business which, if published or shared, might, in our opinion, significantly harm the legitimate interests of that business.
- A.3 We will redact, summarise or aggregate information in published reports where this is appropriate to ensure transparency whilst protecting legitimate consumer or business interests.

What will ORR do with the information I provide?

- A.4 Your information will inform our findings. ORR may publish information you provide and identify you as a contributor of it, subject to the disclosure process outlined above.
- A.5 Where appropriate, we may share your information within ORR to facilitate the performance of our functions. Similarly, we may also use information you provide to take enforcement action, or may share your information with another enforcement authority or with another regulator for them to consider whether any action is necessary.

How will ORR handle any personal data I provide?

- A.6 Any personal data you provide to us will be handled in accordance with our obligations under the UK General Data Protection Regulation and the Data Protection Act 2018.

Is ORR obliged to share my sensitive information if requested under the Freedom of Information Act?

- A.7 ORR is a public authority as defined by the Freedom of Information Act 2000 and as such we are obliged to provide access to information we hold upon a Freedom of Information request.
- A.8 Unless an exemption applies, we may disclose the fact that you have provided information to us, and the information you have provided, in accordance with our obligations under the Freedom of Information Act 2000. In such cases, we will contact you to discuss the nature of the requested information before we make a decision on disclosure.

What should I do if you have concerns about how ORR will use any information I provide?

- A.9 You should make clear to us any information that you consider to be confidential when you provide it to us and set out why you consider it to be confidential.
- A.10 If we intend to include any sensitive commercial or personal information in a document that will be published we will, save in exceptional circumstances, contact you prior to publication to give you an opportunity to tell us about any concerns you may have regarding that publication.



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