Draft Impact Assessment: Retail Code of Practice

Executive summary

1. In March 2026 the Secretary of State asked ORR to prepare a Retail Code of Practice ("the Retail Code"). The Retail Code is intended to manage the potential risks arising where Great British Railways (GBR) exercises market-wide retail functions and operates as a rail ticket retailer, while also setting fares, determining the customer offer and exercising wider control over retail products and services. Government policy is that the online retail market should remain fair and open, and support passenger choice and innovation, ensuring it delivers for passengers and taxpayers.

We invite views and supporting evidence on this draft assessment of the Retail Code's likely effects.

2. The draft Retail Code of Practice was published for consultation on 9 October 2026. Responses to that consultation, which can include views on this impact assessment, are invited by 11 December 2026.

Scope of impact assessment

3. Government policy is that GBR will operate as an integrated railway body, with its online retail activity forming part of its wider passenger-services business. This impact assessment considers the impact of implementing a Retail Code in that context and does not assess, review or comment on the Government's settled policy position on this matter.

4. The scope of the assessment is limited to considering the impact of implementing a Retail Code (Option 1), compared with no new market intervention following the integration of market-wide retail functions and GBR online retail activity into a single organisation (Option 0).

Summary of assessment

Option 1 – the introduction of a Retail Code

5. Relative to Option 0, the proposed Retail Code would establish clearer expectations of behaviour required of GBR secured through its licence. The Retail Code would establish preventative safeguards such as: verifiable governance and information controls, transparent and fair market-access arrangements, and defined mechanisms for raising concerns, monitoring compliance and informing ORR's regulatory intervention where necessary.

6. The expected benefits (relative to Option 0), which have not been quantified, have been subject to a qualitative assessment and include: improved market confidence, reduced uncertainty and risk for non-GBR retailers, earlier identification of issues

and a clearer oversight framework, supported by enhanced certainty, transparency and accountability.

7. Under Option 0 (no Retail Code), the potential risks arising from GBR's integrated structure would instead be managed through existing licensing, accreditation, contractual and competition law requirements, the public law framework and ORR's wider regulatory powers, rather than through targeted Retail Code requirements designed specifically to manage the potential conflicts arising from GBR's different roles. The absence of a Retail Code in this framework provides less certainty around protections that support participation in the market, and a less effective means to rectify concerns. This may, for example, disproportionately affect smaller retailers without the resources to bring challenges through formal legal means.

8. Clearer preventative safeguards under Option 1, as noted above, could also clarify expectations for GBR and support more consistent and transparent oversight. These potential benefits are not quantified and depend on the effectiveness of measures that would otherwise apply, including arrangements introduced by GBR voluntarily or under other obligations.

9. The assessment found that, relative to Option 0, the Retail Code could introduce direct costs to GBR to support compliance, alongside monitoring and case-handling costs for ORR to support effective oversight. However, the expected non-monetised benefits of improved assurance, transparency and targeted regulatory oversight are likely to outweigh any additional compliance and oversight burdens. The scale of the net benefit is uncertain and will depend on the final Retail Code and licence wording, GBR's operating model and controls, and proportionate risk-based implementation by GBR and ORR that avoids unnecessary duplication with wider arrangements.

Stage 1: Background

1.1 Policy context and objectives

10. Government policy is that GBR will act as the directing mind for the railway, operate passenger services, define the customer offer and sell tickets directly to passengers. It will also assume responsibility for market-wide retail functions, including central systems, standards, participation arrangements and access to information. GBR will also be expected to maintain a fair and open online rail retail market that supports competition, innovation and passenger choice and delivers good outcomes for passengers and taxpayers. Independent online ticket retailers, open-access operators and operators accountable to devolved authorities are expected to continue participating in online retail alongside GBR.

11. GBR's combined roles therefore create potential risks relating to conflicts of interest, self-preferencing, restricted or less favourable access to products, systems and data, information handling, transparency and accountability. Even where GBR's decisions are objectively justified, limited transparency around decision-making, information flows or market-access criteria could undermine confidence among online ticket retailers and other market participants that GBR is exercising its market-wide functions fairly, objectively and without discrimination. This may increase the likelihood of stakeholder challenge, while reducing incentives for third-party retailers to invest and innovate, with potential adverse effects on competition.

12. Introduction of the Retail Code is therefore a key part of the overall legal, contractual and regulatory framework for delivering the Government's policy objectives in the online retail market.

1.2 Wider operating framework and its interactions with the Retail Code

13. Under either option, GBR will be subject to a range of legal, contractual and regulatory arrangements. These include legislation, competition law, public law duties, retail licensing, industry agreements and contractual arrangements, GBR's licence obligations and ORR's wider regulatory powers. These arrangements will continue to apply and would not be replaced by the proposed Retail Code.

14. The proposed Retail Code would sit alongside those wider arrangements and serve a distinct purpose. It would introduce a dedicated and readily verifiable set of safeguards targeted at mitigating the primary risks arising from GBR's different roles in the online retail market, supporting more coherent management, monitoring and evidence of governance, transparency, market access and information-handling risks. The wider framework and arrangements which GBR would likely put in place under Option 0 would potentially address some of these risks to varying degrees. This impact assessment therefore considers the additional certainty, consistency, enforceability and transparency the Retail Code would provide, rather than assuming that equivalent measures would be absent under Option 0.

1.3 Scope of the Retail Code

15. Under Option 1, the Retail Code would apply only to GBR and would be secured through a condition of GBR's licence. It would apply primarily to activities where GBR's different roles could create risks to a fair and open retail market, including

the exercise of market-wide retail functions, and to relevant aspects of GBR's own online retail activity where necessary to manage those risks. The proposed requirements cover governance and conflict management, decision-making and change management, market entry and participation, fair and transparent access to products, systems, data and related services, information safeguarding, compliance monitoring and reporting, review and licence enforcement.

16. The Retail Code is not intended to prescribe GBR's future structure or operational arrangements, but to provide confidence in how market-wide retail functions affecting participants in the online retail market are exercised.

1.4 Evidence base and limitations

17. The assessment draws on the draft Retail Code, a series of detailed workshops held between March and May 2026 with a small number of representative stakeholders to support the Retail Code's initial development (see Annex B of our consultation), one-to-one engagement and written submissions from online retail market participants. The discussions were exploratory and were used to identify and test potential risks, issues and approaches rather than to develop specific Retail Code drafting. The evidence considered thus far is therefore not necessarily representative of the market as a whole.

18. As the Retail Code has not yet been implemented and GBR's final organisational structure, operating model and internal compliance arrangements remain under development, the assessment relies on qualitative evidence and reasoned judgement rather than observed outcomes. It supports directional judgements on likely impacts, risks and proportionality, but not a quantitative cost-benefit estimate.

Stage 2: Options Impact

19. This section sets out the anticipated impacts associated with each option. A summary and comparison of the impacts for each option is outlined in section 3.4.

2.1 Option 0: Wider operating framework only (no Retail Code)

20. Option 0: No Retail Code is introduced. GBR takes over market-wide retail functions relied upon by online retailers and operates its own online retail website and app. GBR's retail activities would be subject to relevant licensing, industry agreements and contractual arrangements, competition law, public law and wider ORR regulatory oversight.

21. Option 0 would rely on the wider legal, licensing, accreditation, contractual and regulatory frameworks rather than introduce the additional governance, record-keeping, information-management, compliance monitoring and reporting requirements prescribed in the Retail Code. GBR and ORR would incur costs in complying with and overseeing those arrangements (for example for ORR in undertaking its role as concurrent competition regulator with the CMA, and GBR demonstrating compliance with those obligations) but would avoid the incremental compliance and oversight costs arising specifically from the Retail Code.

22. Under Option 0, the potential conflicts of interest arising from GBR's roles in managing market-wide retail functions and operating as an online retailer would be addressed through the wider operating framework rather than through a dedicated, licence-backed Retail Code. Market participants would therefore rely on the relevant licensing, accreditation, contractual, competition law, public law and regulatory provisions.

23. While these provisions may offer important protections, they differ in scope and application and can be complex to navigate, requiring participants to establish which obligations apply and how they can be enforced in particular circumstances. There would also be potential uncertainty for non-GBR retailers about market entry and access to GBR products. Without the Retail Code-specific governance, transparency, information-safeguarding, record-keeping and monitoring requirements, participants may face greater difficulty and cost in understanding their rights, identifying and evidencing potential unfair or discriminatory treatment, challenging decisions and securing effective redress.

24. ORR would retain its wider regulatory powers (e.g. enforcement of competition law), but the absence of a dedicated and targeted set of measures could make

oversight more complex, less transparent and more resource-intensive, with a less consistent basis for monitoring conduct and identifying emerging concerns. These difficulties could delay the resolution of concerns and weaken retailers' confidence to enter the market, invest and innovate, with potential adverse consequences for competition and passenger choice. These are potential risks rather than inevitable outcomes, and their extent would depend on the effectiveness of the wider framework and GBR's own arrangements.

25. Without dedicated preventive safeguards, market participants may have less assurance that conflicts of interest, inappropriate use of commercially sensitive information or discriminatory access are identified and addressed before they affect competition. The costs and uncertainty associated with navigating the wider framework may weigh particularly heavily on smaller retailers and prospective entrants with more limited legal, compliance and financial resources. The absence of clearer, Retail Code-specific expectations could also leave GBR facing additional requests for assurance from market participants, disputes and challenges, even where its decisions are objectively justified. Option 0 may nevertheless include equivalent safeguards introduced by GBR voluntarily or under other obligations. The incremental benefit of the Retail Code would therefore depend on the extent to which it improves the consistency, enforceability and transparency of safeguards beyond those that would otherwise apply.

2.2 Option 1: Introduction of a Retail Code of Practice

26. Option 1: the wider legal, policy and licensing framework remains in place but is supplemented by a licence-backed Retail Code. The Retail Code would establish targeted, principles and outcomes-based requirements covering conflicts of interest, governance and decision-making, market entry and participation, access to rail products, systems, data and related services, information safeguarding, monitoring and review, and the handling of Code compliance concerns. It would provide a coherent framework for GBR to demonstrate compliance and for ORR to undertake proportionate, risk-based monitoring and, where appropriate, licence enforcement. By providing further clarity on the principles which GBR should apply and the processes it should put in place to manage conflicts of interest, the Retail Code should reduce the risk that GBR's own online retail activity receives an undue advantage.

27. It would also provide defined routes for non-GBR retailers to raise Code compliance concerns with GBR and, where necessary, refer them to ORR. These safeguards are expected to support the Government's objective of a fair and open online retail market, while recognising that the Retail Code supplements rather than replaces existing legal, contractual and regulatory frameworks.

28. Relative to Option 0, the Retail Code could strengthen assurance that potential conflicts, inappropriate information use and discriminatory access are addressed before they affect competition. Clearer obligations and evidence requirements could also reduce the difficulty of identifying and challenging potential unfair treatment, particularly for smaller retailers and prospective entrants, and reduce uncertainty and avoidable disputes for GBR. These benefits would depend on the safeguards that would otherwise apply and should not be treated as guaranteed reductions in costs or disputes.

29. Compliance with the Retail Code would create direct administrative and compliance requirements for GBR, including governance, record-keeping, information-management, monitoring and engagement arrangements, and additional monitoring, oversight and potential case-handling costs for ORR. These burdens should be weighed against the costs and risks that would arise under either option from managing and overseeing GBR's market-wide retail functions and online retail activity, and against the benefits of clearer expectations, greater transparency and earlier identification of potential issues.

30. At the time of this assessment, the Railways Bill remains before Parliament. The analysis therefore assumes that the relevant legislative provisions are enacted substantially as proposed, that GBR's licence includes a condition securing compliance with the Retail Code, and that the Retail Code takes effect when GBR assumes the relevant market-wide retail and passenger-services functions.

Stage 3: Assessed impacts

3.1 Affected stakeholders

Stakeholder	Likely impact of Option 1 relative to Option 0
GBR	Additional governance, decision-making, record-keeping, information-safeguarding, engagement, monitoring and concern-handling requirements, balanced by clearer expectations and greater regulatory certainty. The scale of the burden will depend on proportionate, risk-based implementation and the extent to which duplication with wider arrangements is avoided. Clearer requirements with respect to GBR's behaviours could also reduce requests for assurance and avoidable disputes, including where GBR's decisions are objectively justified, although any resulting cost savings are uncertain.
Third-party retailers	Greater transparency and assurance over market entry, access to GBR products and services, information safeguarding and the governance of market-wide retail functions, together with defined routes to raise Code compliance concerns. These measures should improve predictability and confidence, and provide greater certainty around market access than in Option 0, although the effect will depend on implementation and wider market conditions. Clearer obligations and accessible evidence could reduce the difficulty and cost of identifying and challenging potential unfair treatment. This may particularly benefit smaller retailers and prospective entrants with more limited legal, compliance and financial resources.
Train operators and devolved administrations	Greater transparency and assurance where market-wide retail decisions or access arrangements affect train operators or services for which devolved administrations are accountable, together with defined routes to raise Code compliance concerns. The extent of the impact will depend on how far particular activities fall within the Retail Code's scope.
ORR	A clearer framework for monitoring GBR's arrangements, assessing compliance, seeking corrective action and, where necessary, using licence-enforcement powers, supported by a defined route for unresolved Code compliance concerns. This would create additional monitoring, oversight and potential case-

	handling costs but should avoid unnecessary duplication with existing routes. More consistent standards and records could support earlier identification of emerging concerns and reduce some complexity in oversight relative to Option 0, although the net resource effect is uncertain.
Passengers and taxpayers	Potential indirect benefits generated by a fair and open online retail market. By supporting competition and retailer investment, Option 1 should help stimulate innovation, passenger choice and services responsive to passengers' needs. Competitive pressure may also promote more efficient retailing and better value, helping to reduce costs ultimately borne by taxpayers. These effects are not quantified and depend on proportionate implementation and the wider market framework.

3.2 Equality considerations

31. ORR has considered its Public Sector Equality Duty and undertaken equality screening of the proposed Retail Code. The Retail Code is primarily concerned with the governance of GBR's retail activities, including monitoring, information sharing, the handling of Code compliance concerns and the way in which GBR engages with other retailers operating in the rail retail market. It does not create or amend passenger rights, accessibility requirements, retailing obligations towards passengers, or the provision of passenger assistance. As a result, the draft Retail Code is not expected to have a direct impact on people who share protected characteristics and no material adverse equality impacts have been identified.

32. While retail outcomes for passengers may be influenced indirectly by the broader retail market, the principal protections for passengers with protected characteristics arise through other legislative and regulatory frameworks, including the Equality Act 2010, rail accessibility legislation, Accessible Travel Policy requirements and ORR's wider consumer and accessibility regulatory functions. The Retail Code does not alter those protections. ORR has nevertheless considered equality impacts as part of its policy development process and will continue to do so as the Retail Code is finalised, implemented and kept under review.

3.3 Appraisal method

33. The assessment is qualitative. It considers the risk under Option 0, the additional mechanism under Option 1, expected benefit, burden or unintended effects,

residual risk and an overall directional judgement. Assessments are qualitative and not monetised estimates.

34. The comparison allows for measures that GBR may introduce voluntarily or under other obligations under Option 0. Benefits and burdens are assessed relative to those arrangements, including potential differences in preventative assurance, the costs of identifying and challenging unfair treatment, effects on smaller retailers and prospective entrants, and impacts on other parties e.g. ORR, passengers and taxpayers.

3.4 Summary of impacts

Impact area	Assessment
Governance, impartiality and oversight	**Option 1** would supplement the wider framework with Retail Code-specific requirements for GBR to identify and manage actual or perceived conflicts of interest; maintain effective governance, decision-making and record-keeping arrangements; engage affected retailers on material changes; and make market-wide retail decisions fairly, objectively and transparently. This should improve assurance, transparency and ORR's ability to assess compliance. The scale of the benefit will depend on the clarity of the final requirements and their proportionate implementation. These requirements could strengthen assurance that potential problems are identified and addressed before affecting competition, to the extent that equivalent preventive arrangements would not otherwise apply under Option 0.
Information safeguarding	**Option 1** would require GBR to identify, protect and control access to commercially sensitive information obtained through its market-wide retail functions, including arrangements to prevent inappropriate disclosure or use. This should reduce the risk that such information gives GBR's own online retail activity an undue advantage and provide greater assurance to non-GBR retailers. Option 0 would rely on the relevant legal, contractual and regulatory protections without these Retail Code-specific controls.
Market access and competition confidence	**Option 1** would require market-entry and participation arrangements to be fair, objective and transparent, and access to relevant rail products, systems, data and related services to be fair, transparent and non-discriminatory. This should improve predictability and confidence for current and prospective non-GBR retailers and provide a clearer basis for scrutinising differences in treatment. The benefit is principally procedural and assurance-based; wider questions about funding, cost allocation, transfer pricing and commercial terms remain matters for the broader legal, regulatory and policy frameworks (see Tickets and retail: House of Commons Railways Bill factsheet). Option 0 would rely on those wider frameworks without the Retail Code-specific requirements. The complexity and cost of navigating those frameworks may particularly affect smaller retailers

	and prospective entrants; clearer requirements and evidence under Option 1 could reduce those barriers to identifying and challenging potential unfair treatment.
Regulatory oversight	**Option 1** would provide a defined process for raising Retail Code compliance concerns with GBR and, where appropriate, referring unresolved matters to ORR. It would also give ORR a clearer framework for monitoring GBR's arrangements, seeking corrective action and using licence-enforcement powers where necessary. This should support proportionate and consistent oversight, provided the process avoids unnecessary duplication with existing routes and does not impede urgent intervention. Under Option 0, concerns would continue to be addressed through the applicable regulatory, contractual or legal mechanisms. Navigating those mechanisms and establishing the relevant evidence could be more complex and resource-intensive for participants and ORR, potentially delaying resolution and the early identification of emerging concerns. The extent of this increased risk under Option 0 would depend on the effectiveness of the wider framework and GBR's arrangements.
GBR and ORR administrative burden	**Option 1** would create additional compliance and oversight costs for GBR and ORR through governance, record-keeping, information safeguards, engagement, monitoring and concern-handling requirements. These costs have not been quantified and should be limited through proportionate, risk-based implementation that avoids duplication with wider arrangements that will exist alongside the Retail Code. Option 0 would avoid the incremental costs arising specifically from the Retail Code, although GBR and ORR would still incur costs in complying with and overseeing the wider legal, licensing, contractual and regulatory framework. Clearer expectations and records under Option 1 could offset some additional costs by reducing assurance requests, avoidable disputes and oversight complexity. Any such efficiencies are uncertain and have not been quantified. Avoiding Retail Code-specific costs under Option 0 does not establish that its overall administrative costs would be lower.

Competition impacts	**Option 1** is expected to support effective competition by reducing uncertainty about market entry, participation and access; safeguarding commercially sensitive information; and increasing confidence that market-wide decisions are fair, objective and transparent. These safeguards should help maintain incentives for current and prospective non-GBR retailers to invest and innovate, although the scale of the effect is uncertain and will depend on implementation and wider market conditions.
Passenger and taxpayer impacts	Potential benefits to passengers and taxpayers are indirect. By supporting competition and retailer investment, **Option 1** should help stimulate innovation, passenger choice and services responsive to passengers' needs. Competitive pressure may also promote more efficient retailing and better value, helping to reduce costs ultimately borne by taxpayers. These effects are not quantified and depend on proportionate implementation and the wider market framework.

3.5 Implementation

35. The assessment compares the likely impacts of the intended GBR operating framework with a licence-backed Retail Code (Option 1) in place against the same framework without a Retail Code (Option 0). Option 1 is Government policy and so does not require appraisal of alternative detailed drafting or delivery models. The scale of the benefits and burdens identified above will nevertheless depend on how clearly the final Retail Code is specified and how it is implemented by GBR and overseen by ORR.

36. **Implementation assumptions used in this assessment:** the Retail Code is implemented on a risk-based and proportionate basis, with clear requirements, workable controls, targeted monitoring and escalation arrangements that avoid unnecessary duplication with existing frameworks. On this basis, our qualitative assessment is that Option 1 is expected to deliver a net benefit in supporting the Government's intent for a fair and open online retail market. That conclusion is sensitive to the final Retail Code, licence wording, GBR's operating model and the effectiveness and cost of implementation.

37. The comparison is also sensitive to the strength of alternative measures under Option 0. If GBR introduced equally effective and verifiable controls voluntarily or under other obligations, the Retail Code's additional benefits could be smaller, particularly where equivalent enforceability, consistency and transparency are also secured. Conversely, weaker baseline measures under Option 0 could increase the value of dedicated preventive requirements and clearer routes for scrutiny (Option 1). The available evidence does not quantify these differences or establish the scale of potential efficiencies in assurance, dispute handling or oversight.

3.6 Overall conclusion

38. **Option 1 summary.** A licence-backed Retail Code would supplement the wider legal, contractual and regulatory framework with targeted, verifiable safeguards for the risks arising from GBR's integrated roles in exercising market-wide retail functions and operating as an online retailer. By requiring conflicts of interest to be managed, market-wide decisions to be fair, objective and transparent, commercially sensitive information to be safeguarded, and access to relevant products, systems, data and related services to be fair, transparent and non-discriminatory, the Retail Code should provide greater clarity and confidence to market participants and a clearer basis for ORR's monitoring and, where necessary, licence enforcement.

39. The expected non-monetised benefits of improved assurance, transparency and regulatory oversight are likely to outweigh the additional compliance and monitoring burdens. The scale of the net benefit is uncertain and will depend on the final Retail Code and licence wording, GBR's operating model and controls, and proportionate, risk-based implementation by GBR and ORR that avoids unnecessary duplication with wider arrangements. The Retail Code is therefore expected to support and provide more assurance of, rather than by itself secure, a fair and open online retail market that promotes competition, innovation and passenger choice and delivers good outcomes for passengers and taxpayers.

40. This judgement also reflects the potential costs of uncertainty, less consistent preventive assurance and more complex routes for scrutiny under Option 0, including the potentially disproportionate effects on smaller retailers and prospective entrants. The Retail Code's incremental value depends on the consistency, enforceability and transparency it adds beyond measures or safeguards that would otherwise apply.