

Tom Cole
Head of Competition

Office of Rail and Road
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13 March 2019

Dear Tom

ORR Market Study – Update from Rail Delivery Group Limited

In response to the ORR's market study recommendations made last year, RDG made a commitment to the ORR to deliver against 9 key workstreams which are designed to make the process of accreditation more effective and efficient for third party retailers, retail system suppliers and RDG. The workstreams also seek to create an environment which makes it easier for new entrants to both engage with RDG and enter into the rail retailing market with new retailing and technology propositions.

ORR Review of Workstreams

Following the ORR review of RDG's progress against the 9 key workstreams that took place at the end of February 2019, RDG agreed to formally publish the progress we have made in the form of this letter.

To date RDG has delivered the following workstreams; accreditation mandate, refreshed accreditation website, standards review and governance of standards review. The current status of each of the 9 key workstreams that RDG committed to undertake is set out below.

- 1. Revise Accreditation Mandate** - The revised Accreditation Mandate was endorsed by the Fares & Retail Group on 22 November 2018 and this has now been published on the RDG website under the heading of 'Our Services/RDG Accreditation' and can be found using the following link:

<https://www.raildeliverygroup.com/our-services/rdg-accreditation.html>

In addition to this the Fares & Retail Group endorsed the new approach to governance around non-accredited retail systems at their meeting on 24 January 2019. Our aim is that by 31 March 2019, we will have published a list of 'Accredited TIS and Retailers' under the Accreditation section on the RDG website.

- 2. Update RDG Website** - A refreshed Accreditation section on the RDG website has been completed and published. We will continue to update this area with new information as it becomes available, in particular the FAQ section which will grow as more common questions are identified and published along with answers.

The latest addition to the Accreditation section has been the 'Accreditation Video' which explains in plain English what accreditation is, why we need it and the steps to go through to gain accreditation. Feedback so far has been positive.

3. **Improve Onboarding Guidance** - This has been delivered as part of the previous workstream with the introduction of workflows and templates which are available via the RDG website. The Accreditation Guide is on hold awaiting the outcome of a proposal submitted to the Fares and Retail Group (via email) for the introduction of 'Ongoing Accreditation'. A decision is expected on 14 March 2019.
4. **Create Pre-Accreditation Process** - RDG appointed an Accreditation Support Manager who is now leading in this area by promoting earlier engagement between new entrants and the accreditation team. They are also working closely with the RDG Licensing team to ensure all sides are clear on what a new entrant is being licensed to retail and what that would involve in terms of applicable RDG standards and accreditation.
5. **Review Governance of Standards** - RDG has set up an internal Retail Steering Group which brings together technology, accreditation and licensing leads within RDG and which has been tasked with identifying the appropriate subject matter expert or product owner for governance over each particular RDG Standard. This is covered in RSPS 9000 which was published 06 February 2019.
6. **Review Standards** - RDG has completed its review and identified that the majority of RDG Standards are fit for purpose. The analysis did identify that not all RDG Standards are relevant to all retailers, as their retail offerings may differ. The aim going forward is to tailor licences more closely to the retailer's specific requirements which will ensure a more appropriate level of accreditation. This will be piloted on completion of an internal system enhancement (Lennon) which is scheduled to deliver by Q3 2019.
7. **Pilot Streamlining Testing** - The scope of what can be automated has been identified and covers: standard processes, accreditation test cases, E2E automation scripts and auto generated compliance reports. A set of 64 core test cases have been identified, but the actual number required for each supplier will be totally dependent on their licence and what they can retail. Our plan aims to automate both the testing as well as the processes used to request and grant accreditation. Work is now underway to design and create the automated test scripts/processes, and this is expected to be shared and work start by the end of March 2019. In parallel RDG will identify and approach supplier(s) who would like to take part in a pilot. Two pilots will be run with an evaluation during May 2019 to ascertain if this is of benefit to suppliers.
8. **Pilot Ongoing Accreditation** - RDG has prepared a white paper on retrospective accreditation, but this has been put on hold while we look to pilot an alternative approach (Ongoing Accreditation). This involves the potential removal of the 3-year accreditation requirement and replaces that with an ongoing annual accreditation, focusing on only those RDG Standards that have changed during the preceding 12-month period. The aim is to reduce the lengthy 3-year accreditation that can take months to complete. RDG has requested input from suppliers and we have collated their responses. Industry approval needs to be sought for this to be trialled and the first step is a paper that will be issued to the Fares and Retail Group on 14 March 2019 seeking their support. Next steps will be to plan a trial with identified suppliers, so we can review and then rollout if appropriate.
9. **Drive Continuous Improvement** - As part of RDG's commitment to continuous improvement we have introduced Accreditation Surgeries for new entrants to obtain free advice on accreditation and what it takes to become accredited. The first one was held on 23 November 2018 and attended by two potential new entrants, with a subsequent one held on 11 January 2019 attended by an existing supplier. A further surgery was held on 22 February 2019 and attended by a new potential entrant. The next is scheduled for 26 April 2019. RDG also ran a stand at the Transport Ticket Global (TTG) conference 29/30 January 2019 in order to raise awareness of accreditation with suppliers.

Appendix - Deliverables & High-Level Plan

Accompanying this letter is a 1-page appendix which contains a high-level project plan setting out what RDG plans to deliver against various target dates through to 30 June 2019. RDG progress will continue to be monitored against these target dates by the ORR in our bi-monthly reviews, and an updated plan will be made available on 30 April 2019.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Wright', with a stylized flourish at the end.

Simon Wright
Head of Services & Assurance
Customer Directorate
Rail Delivery Group

High Level Delivery Plan

