

John Larkinson
Director
Directorate of Railway Markets and Economics

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Jacqueline Starr
Managing Director, Customer Experience
Rail Delivery Group

Dear Ms Starr

Ticket Vending Machines research

We have today published the results of our mystery shopping research into passengers' experience of ticket vending machines (TVMs). The results show that 80% of mystery shoppers selected the most appropriate ticket for their journey, and that only a small minority found jargon on the machines to be a problem. But one in five mystery shoppers did not select the most appropriate ticket. I am therefore drawing your attention to these findings and asking the Rail Delivery Group (RDG) to provide a public response.

I have attached a copy of the research report. Of the 20% of mystery shoppers who did not select the most appropriate ticket for their journey, 13% would have experienced financial detriment, and 7% would not have selected a ticket providing the necessary flexibility required for their journey.

We have written to train operators enclosing a copy of their individual research results. These have not been included in the report due to the small sample size for some train operators.

TVM research - 'good practice'

We are aware that many train operators have upgraded existing TVMs and some others are buying new, better TVMs. Nevertheless, the research has identified areas of good practice where all train operators need to take some action. In particular, **the provision of clear, useable and timely information on the product range, ticket restrictions and validities, and on/off peak sales** so that passengers can make informed decisions when purchasing a ticket from a TVM. Our research found that:

- on the *range of products* available, many mystery shoppers did not see any information about the types of tickets that could be purchased from the TVM or that other, possibly cheaper fares might be available from the ticket office.
- on the *information about ticket restrictions and validities*, many mystery shoppers could not find any information alongside ticket prices and of those that did, many found it difficult to locate.

- in relation to *on and off-peak tickets*, many mystery shoppers found it difficult to get information about times, could not find information about when tickets could be used, and did not understand the restrictions on travel.

Train operator voluntary TVM price guarantee

It is important that rail passengers can be confident that they are paying the right amount for their ticket when making a purchase using a TVM.

Train operators must work harder to build trust and in turn demonstrate publicly that they are responding to passengers' needs. One way of doing so would be the introduction of a voluntary TVM price guarantee by train operators to give a refund of the additional ticket costs where the passenger finds they could have bought a cheaper ticket than the one they did buy. We are aware that C2C has made a 'Right Ticket, Right Price'¹ commitment which provides a refund of the difference in costs between the two ticket prices (in C2C's case offering twice the amount), and ScotRail² also has a Price Promise scheme which makes a similar commitment.

We view a form of TVM price guarantee to be good practice as it could provide redress for consumers who have incurred financial detriment as a result of an inappropriate purchase decision. We have therefore recommended to train operators that they make a similar commitment to TVM customers and are waiting for their response.

Future TVM research

RDG's own annual TVM research shows a higher purchasing accuracy and a year on year increase. We intend to repeat our own research later this year to establish whether the experience of passengers in this area has improved, and will publish the results at an individual train operator level. We would like to discuss with RDG why the results of our survey differ from yours.

RDG action to deliver the 10 point plan

RDG has agreed in the *Action Plan for Information on Rail Fares and Ticketing* to produce a transparent roadmap of current capability to identify what can be done in the short term including the delivery of the 10 point plan. However, it is currently unclear what the industry parties have committed to in the 10 point plan and how this will lead to improvements at an individual train operator level particularly in the good practice areas in the next six months. This roadmap should set out exactly what will be delivered, by whom and when, and what improvements TVM users will see as a result. We will test the success of these changes in our next research.

¹ <http://www.c2c-online.co.uk/about-us/our-policies/right-ticket-right-price-commitment/>

² <https://www.scotrail.co.uk/about-scotrail/our-price-promise>

Next steps

We would like you to respond to the following:

- what improvements does RDG expect to be delivered at an individual train operator level in the good practice areas in the next six months;
- does RDG support the introduction of a TVM price guarantee; and
- we would like to discuss with you why your research results differ from our own.

I look forward to receiving your response by 10 March 2017.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Larkinson', written in a cursive style.

John Larkinson