



Department  
for Transport

# Pay-as-you-go on rail Consultation

**Moving Britain Ahead**



**February 2019**

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## Foreword

I know from the correspondence I receive how rail passengers across the country look upon the pay-as-you-go schemes that operate in London with envy. Whenever we talk to passengers about ticketing, and how they buy their rail tickets, the message we so often get back is, 'we just want something that is easy to use and straightforward to understand.'

It's important to understand what it is about the system in London that passengers like so much. Yes, it's much more convenient than having to queue at ticket machines. Yes, it gives passengers better confidence that they are paying the right fare for their journey without having to study all the fares available and work out all of the permutations – and not paying over the odds if their plans change.

But what is often overlooked is that the way fares in London are *structured* has been designed to complement the pay-as-you-go model, and those changes bring benefits in their own right too. Within London, if you travel in the off-peak period the amount you pay reflects this; outside of London, you might be best off buying a peak return fare and paying for a peak return trip you didn't necessarily need. Within London, if you are a part-time commuter, you will usually pay less than a full-time commuter; outside of London your best fare can often be the same as a full-time season ticket, meaning that you may feel you are paying for two or three days of travel you didn't really need.

This is why we want to consult - to get people's views as to how we might take this forward. There is great potential in expanding pay-as-you-go, but we need to make sure we get it right and ensure that everyone's voice is heard as we develop our reform plans. And if we are to make changes to fares and payment systems we must also make it stack up financially. Our ambition is to have a fairer, more logical fares and ticketing system, and this consultation starts that process today.

**Andrew Jones MP**  
**Rail Minister**

Andrew Jones

# Executive summary

## Introduction

- 1 We have worked with the industry to deliver a rapid expansion of smart ticketing, including an £80million Government-funded programme to roll out smartcards, our investment in Transport for the North's £150million multi-modal smart ticketing programme and the rail industry's investment in barcode ticketing technology. There has been real progress: last year train operators delivered on our commitment to make a smart card or barcode option available across almost all of Britain's rail network.
- 2 We now want to consider how we can go further, and make smart ticketing the norm. Our ambition is to see smart ticketing deliver in commuter areas the kind of pay-as-you-go (PAYG) structure that is in place in London - as we set out in Connecting People, the Department for Transport's [Strategic Vision for Rail](#), published in 2017.
- 3 PAYG systems automatically charge the fare for the journey without needing the customer to buy a ticket. This could be more convenient for many passengers since it avoids the need to work out your daily or weekly travel in advance or queue up to buy tickets.
- 4 Beyond this, there is a strong demand for travel to better reflect the way people live and work in a modern economy. Moving to PAYG has the potential to offer a fairer way of commuting by rail. It also gives us the opportunity to make the amount that you pay better reflect the amount that you travel. By contrast, the different types of tickets on sale today make it harder for passengers to mix-and-match peak and off-peak travel, and a season ticket costs a fixed price for a week, month or year, which can disadvantage those who travel part-time.
- 5 Our evidence suggests that people are working more flexibly than they used to, and commuting less often. We want more people to travel by rail, and PAYG might help to encourage them. PAYG has the potential to:
  - 1 **Be more convenient.** Passengers would not need to queue at ticket machines or spend time trying to work out the fare they need, only for their plans to change.
  - 2 **Better reflect modern travel patterns.** Changes to fares will mean that passengers who choose to travel less or at quieter times of the day should see a financial benefit in doing so.
- 6 By delivering these outcomes, extending PAYG travel could offer passengers better value for money, increase passengers' trust and confidence that they will be charged the best fare, and attract new travellers to rail, sharing the cost of running the network among more users.
- 7 For passengers to fully benefit from PAYG we may need to make fares simpler. This is not an easy task and there are many different ways of doing it. We have set out in this document some options as to how this might be achieved, and welcome other ideas from respondents. Some of these proposals are intended only to provoke

thought and help us generate the best solutions. We also want to know what your priorities are.

- 8 At the same, time, the Rail Review will consider how the organisational structure and commercial model of the railway as a whole can deliver fares which are value for money for both passengers and taxpayers.

## Focus of this consultation

- 9 As we set out in Connecting People, the Department for Transport's [Strategic Vision for Rail](#) which was published in 2017, the Department's ambition is to ensure that smart ticketing is able to deliver the kind of PAYG structure that is used in London across regional and urban commuter areas more widely.
- 10 This consultation is the next step towards our wider ambition to further roll out PAYG to commuter areas across the country. In parallel, for example, we have allocated Transport for the North £150m to deliver a PAYG scheme across train, bus and tram and we have agreed for South Western Railway to deliver a PAYG scheme across its network.
- 11 We are consulting on:
- What a PAYG travel area is and how it would work in general
  - Where a PAYG travel area in the South-East could cover, as the next step towards our wider ambition to roll out PAYG in commuter areas
  - The changes to fares that could be made within the area

### Proposed PAYG travel area in the South-East

- 12 There is the potential for a joined-up PAYG travel area that focuses on travel to, from and around London by rail. Inside this area:
- Passengers would be able to travel seamlessly between all rail services in the area and on the Transport for London (TfL) network, all using the same PAYG scheme
  - We are exploring options to make complementary changes to fares and to introduce capping, so that there is a maximum amount you can pay over day and / or week for making a particular journey, no matter how many times you travel. This document sets out some options for doing this and seeks views - we have not at this point decided upon the best way to proceed
  - In some cases, a PAYG scheme could also extend to local transport services such as buses, although this is not a major focus of the programme
- 13 Outside the zone, we will continue to work with train operators to roll out PAYG on their own networks and identify ways in which PAYG could be extended even further.
- 14 PAYG may be most appropriate for shorter-distance lower-value journeys, as its benefits are greatest in denser urban networks. We are therefore focusing our consultation on a particular geographical area. That is not to say, however, that we are ruling out PAYG ticketing systems that could extend beyond this scope: these might be market-led proposals, for instance, brought forward by individual train operators.
- 15 In developing this scope in the South-East, we have thought about where PAYG travel would be most beneficial. The demand from the station, local transport links

and distance from London may be important factors in working out whether a station in the South-East should be included within this geographical focus.

16 Figure 1 sets out where in the South-East that may be suitable for a joined-up PAYG travel area.

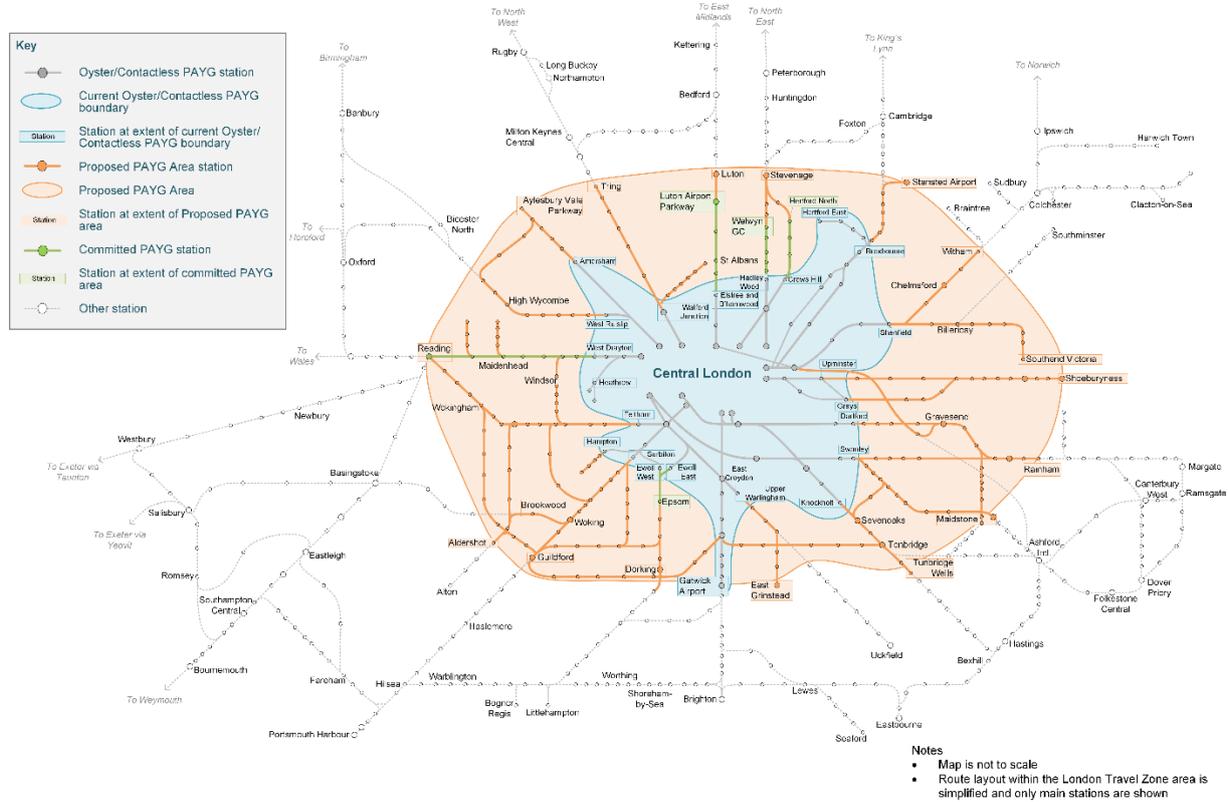


Figure 1 Potential Rail PAYG travel area

17 We are also consulting on expanding the potential PAYG travel area further, to places such as Brighton, Cambridge, Milton Keynes and Oxford. We would like to know how comfortable passengers would be using PAYG to make journeys between London and these locations, which currently have higher fares.

18 The map includes the first wave of the extension of PAYG to 13 National Rail stations on the Govia Thameslink Railway network, which is due to commence in early 2019 to Hertford North and Epsom, and to conclude with Luton Airport and Welwyn Garden City later in the year. This first wave will also help us to test the extent to which PAYG travel meets our objectives, and understand how passenger travel changes when it is available.

### Changes to fares and prices

19 Extending PAYG travel may also mean changing rail fares, to ensure passengers are to benefit fully from PAYG travel. The extension of PAYG travel could make fares fairer and easier to understand.

20 Our evidence suggests that people want fares to be simpler so that they better reflect passengers' actual travel and to help passengers to better understand what they will be charged when they complete their journey. PAYG could do this and also make rail travel more accessible for some people. This document explores some of the options that are available, such as allowing passengers to mix-and-match peak and off-peak single fares. We realise that there are advantages and disadvantages to each approach and before we make a decision, we want to make sure we have

understood how they would affect people. Therefore, we are also open to hearing other options that people suggest.

- 21 Since passenger fares are crucial for funding the day-to-day running of the railway, any changes to the way rail fares are priced need to be broadly cost-neutral to the taxpayer, so that overall the level of ticket revenue on the railway will be similar to today's. This means that the total amount paid by all passengers put together and the total revenue paid to train companies should remain the same - or as close to that as possible.

# 1. Introduction

## What is this consultation for?

- 22 This consultation considers expanding significantly the availability of pay-as-you-go (PAYG) travel in the South-East as the next step towards our ambition of rolling out PAYG to commuter areas across the country. This would see the introduction of a PAYG travel area within which journeys could be made on a PAYG basis.
- 23 We want feedback to inform the development of our strategy and our roll-out plans. We want feedback on how a PAYG area could work, what area it should cover and on the options for changing. While some of our questions relate specifically to proposals in the South-East, subject to your feedback the underlying principles could be applied to the wider expansion of PAYG to commuter areas across the country.

## Who should read this document?

- 24 This consultation asks for feedback on our proposals for expanding PAYG travel for commuters and others traveling into London, as well as various options for reforming fares to help passengers benefit from PAYG. We are interested to hear from individuals and organisations, including local authorities and sub-national transport bodies.

## How to respond

- 25 The easiest way to respond is to use the online response form. This form also allows you to:
  - save your progress so you don't need to complete it all at once
  - save or print a copy of your response for your records once you have submitted it
- 26 The consultation period began on 7 February 2019 and will run until 1 May 2019. Please ensure that your response reaches us before the closing date. If you would like further copies of this consultation document, it can be found at <https://www.gov.uk/dft#consultations> or you can contact the Department if you need alternative formats (Braille, audio CD, etc.). Please send consultation responses to: Department for Transport Great Minster House 33 Horseferry Road London SW1P 4DR Railpayasyougo@dft.gov.uk
- 27 When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.
- 28 Due to the anticipated volume of feedback, we will not be able to reply individually to those submitting a response.

- 29 Privacy Information Notice: Confidentiality and data protection The Department for Transport is carrying out this consultation on proposals as part of the Review of Pay-as-you-go Rail Travel in South-East England. It is being carried out in the public interest to inform the development of policy. As part of this consultation we are asking for your name and email address. This is in case we need to ask you follow-up questions about any of your responses. You do not have to give us this personal information. If you do provide it, we will use it only for the purpose of asking follow-up questions. DfT is the controller for this information and we will not share it with any other organisation. The Department for Transport's privacy policy has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer. You can view it at <https://www.gov.uk/government/organisations/department-for-transport/about/personal-information-charter>
- 30 To receive this information by telephone or post, contact us on 0300 330 3000 or write to Data Protection Officer, Department for Transport, Ashdown House, Sedlescombe Road North, St Leonards-on-Sea, TN37 7GA. Your information will be kept securely and destroyed within 12 months after the consultation has been completed.
- 31 Freedom of Information: Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004. If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

## 2. Background and objectives

### Background

- 32 In December 2016 the Secretary of State for Transport set out his ambition to extend smart ticketing across the rail network, to make the journey experience easier, modern and more reliable for passengers<sup>1</sup>. Connecting People, the Department for Transport's 2017 [Strategic Vision for Rail](#)<sup>2</sup>, set out the ambition of securing smart ticketing across almost all of the rail network by the end of 2018.
- 33 The Government's £80m investment in accelerating smart ticketing builds on previous and existing franchise commitments, and sits alongside Transport for the North's smart ticketing programme and the Rail Delivery Group's investment in barcode technology. Together, these programmes have delivered real progress: a smart card and / or barcode option is available for singles, returns and seasons across almost all the rail network. A smartcard is a plastic card, the size of a bank card, that stores tickets electronically and a barcode is another type of smart ticket that can be held on a mobile phone (these are sometimes called m-tickets and e-tickets) or printed out.
- 34 This programme included over 5,000 upgrades to ticket gates, ticket vending machines and ticket office machines, as well as rolling out new smart cards across the country. In addition, major changes to computer systems will allow smartcard users to travel seamlessly between train companies later this year. Many train companies also now allow customers to buy smart tickets at ticket offices and pick up a smartcard at key stations.
- 35 Our ambition is to build on this momentum: as we set out in 'Connecting People', we want to ensure that across regional and urban commuter areas smart ticketing is able to deliver the kind of PAYG structure that is used in London.
- 36 Looking beyond this consultation, we have committed to review rail ticketing, removing complexity and perverse pricing and the Rail Review will also consider how the fares system can deliver value for money for both passengers and taxpayers. The responses to this consultation will form a useful evidence base on attitudes to PAYG principles more widely, and will assist in broader policy development in relation to fares and ticketing.

### Expanding PAYG travel on rail

- 37 This consultation sets out how PAYG travel could be expanded significantly across the South-East as the next step in our wider ambition to roll out PAYG across commuter areas. PAYG travel describes the approach whereby passengers can travel in advance of paying, with a computer system identifying the amount that they

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<sup>1</sup> <https://www.gov.uk/government/speeches/an-innovative-modern-passenger-focused-railway-network>

<sup>2</sup> <https://www.gov.uk/government/publications/a-strategic-vision-for-rail>

should be charged automatically.

- 38 PAYG travel means that ticketing is automatic - which means you don't need to work out which journeys you will make before buying a ticket. There are already some PAYG ticketing systems in operation on the rail network. Government investment last year helped bring about the extension of Govia Thameslink Railway's (GTR's) 'KeyGo' system across all GTR stations. We have also agreed with South Western Railway to extend smartcard-based PAYG (in the form of its Tap2Go system) across its network by the end of 2019.
- 39 However, there could be much more to PAYG travel than automated ticketing: PAYG travel can also mean making complementary changes to fares which could offer passengers a set of fares which better reflect the way they want to use the rail network.
- 40 We are supporting Transport for the North's (TfN's) plans to introduce multi-modal, multi-operator PAYG travel in the North of England (that is, on buses and trams as well as on rail). TfN aims to roll out a consistent and familiar PAYG travel experience for customers using contactless payment options, under which passengers would pay the best 'on the day' price for their travel. Subject to investment decisions on TfN's full business case, the first phase is due to be delivered in 2020.
- 41 TfN is also working with Midlands Connect, which has an ambition to extend and modernise PAYG systems in the Midlands. Other examples of PAYG expansion include South Western Railway's plans to roll out its 'Tap2Go' smartcard across its network.
- 42 We have not at this stage decided which technology would be most suitable. This may involve, for example, transport smartcards, contactless bank cards and / or the Oyster card. While we discuss technology in this consultation, we have chosen to focus on the benefits to the passenger.

## Outcomes

- 43 With PAYG travel - automating ticketing and complementary changes to fares - we have ambition in three main areas.
- 1. More convenient ticketing and compensation**
- 44 Many passengers may find PAYG more convenient than buying tickets in advance. PAYG means that passengers can travel without buying a ticket, and pay the most appropriate fare for the journeys they make without having to select a ticket in advance. To travel using PAYG you would need to simply touch in at the start of your journey and touch out at the end of your journey. The correct fare will automatically be taken at a later point, usually the end of the day, either from your bank account or from the money you have put onto the card or an online account.
- 45 This means that passengers do not need to queue up at the ticket machine in the morning if they don't want to. It also removes the worry and uncertainty of having to select the best ticket type in advance. You won't need to spend time trying to work out the best ticket and you will not have to buy a season ticket only to find that your plans change or that you've selected the wrong ticket by mistake.
- 46 There is also a good opportunity for PAYG travel to hasten the introduction of 'one-click' compensation. The c2c franchise is able to offer automated compensation arrangements already for registered smart card users: as a fully-gated network, passengers using smart cards already have to both 'tap in' and 'tap out'.

## 2. Fares that better reflect modern travel patterns

- 47 PAYG may offer a fairer way of using the railway because the amount you pay can more closely reflect how much you travel and when you make your trips than can sometimes be the case at the moment.
- 48 Evidence suggests<sup>3</sup> that people's commuting patterns are now more flexible than ever before. People are increasingly shifting away from the traditional nine-to-five, five-day-a-week commute, towards part-time work, home working and staggered working hours. However, rail fares are currently out of step with modern travel preferences.
- 49 For instance, passengers travelling out in the peak but returning in the off-peak often find that the most appropriate fare available to them is a peak return fare. This means they feel they are paying for the ability to travel in the peak even if they don't need it and they don't benefit from the ability to mix-and-match peak and off-peak travel.
- 50 Similarly, the way season tickets and day tickets are priced relative to each other can mean that passengers who want to travel fewer than five days a week will end up paying the same price as if they commuted five days per week or more. We want to explore how fares could be fair to both full-time and part-time commuters.

Q1 – Do you think that the price you pay to travel by rail should relate more closely to the amount that you travel?

Q2 – Do you think that there should be more options for people who work part-time?

Q3 – Please explain why

## 3. More consistency in where PAYG travel is available

- 51 Transport for London (TfL) introduced the Oyster card in 2003 and it became valid on National Rail services within the London zones in 2010. Since 2014, passengers have also been able to travel in the Oyster zone using contactless bank cards, a system known as Contactless.
- 52 The Government has agreed to proposals to add national rail stations located outside the London zones to the Oyster and Contactless systems on a case-by-case basis where there has been a compelling argument to do so. For instance train companies like GTR have pledged to extend the Oyster system as part of new franchises such as the extension to Gatwick Airport in 2016. In addition to this some train companies have brought forward their own automated ticketing systems, like GTR's 'KeyGo' system and South Western Railway's planned 'Tap2Go' system.
- 53 However, while this approach has allowed thousands of passengers to travel more conveniently, it has also led to TfL's Oyster Contactless schemes covering an area that appears inconsistent to passengers. For example, the Oyster zone extends 24 miles to Amersham on Chiltern, but some other boundary stations in north London are around half as far out (for example, Hadley Wood and Elstree & Borehamwood). The system extends to Heathrow, Gatwick and this year to Luton airports, but not to Stansted or Southend airports. Also at some stations such as Staines, Oyster and Contactless is accepted on local buses, but not at the railway station, and rail travel is not part of the TfL fares structure.
- 54 Figure 2 shows how the Oyster and Contactless systems have expanded in a manner which may appear illogical and confusing to travellers.

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<sup>3</sup> Recent trends in passenger numbers might be driven by a move away from fixed season tickets towards day tickets (see [http://orr.gov.uk/data/assets/pdf\\_file/0003/39342/passenger-rail-usage-2018-19-q1.pdf](http://orr.gov.uk/data/assets/pdf_file/0003/39342/passenger-rail-usage-2018-19-q1.pdf)).

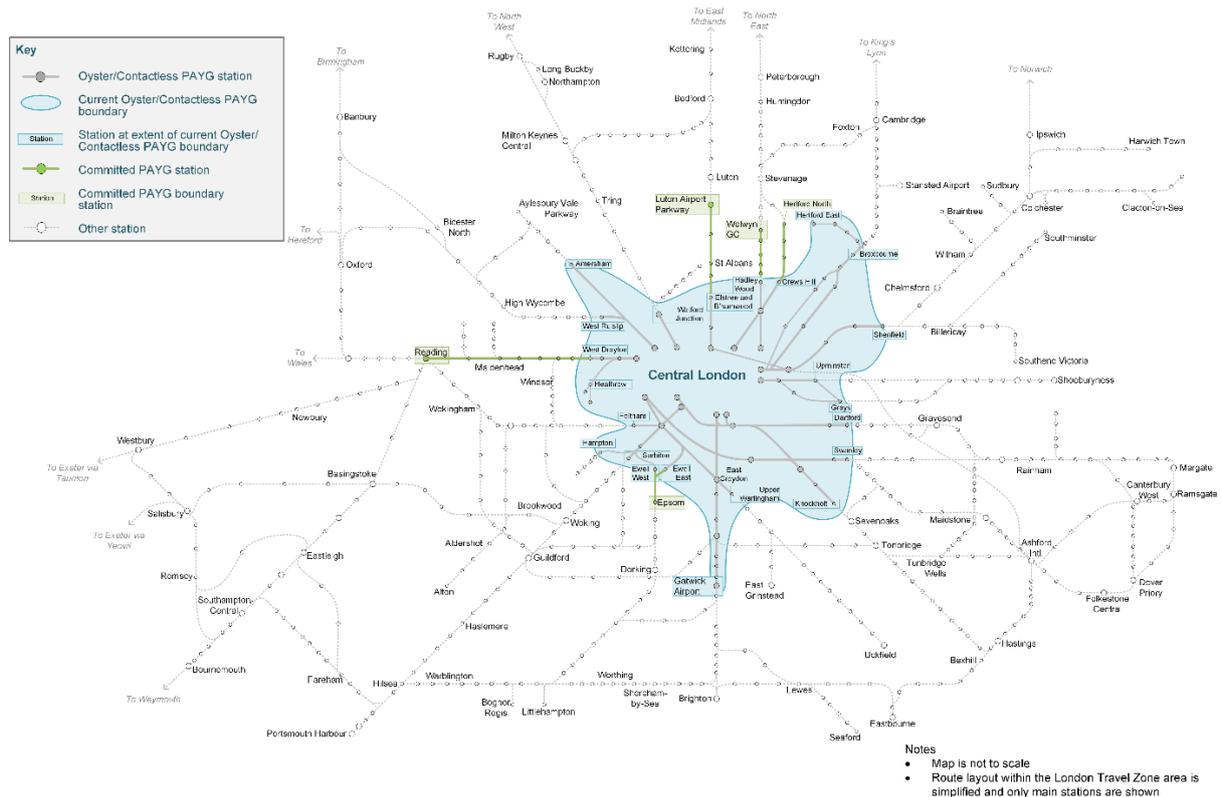


Figure 2 Current and committed PAYG ticketing schemes on rail

### Consistency of fares

55 In addition to this there may be opportunities to make fares more consistent with each other, and increase transparency for passengers. Rail fares have long been tailored to local areas, based on passenger demand and the range of other transport options, amongst other things. This means prices can differ significantly between routes, and prices might not increase evenly along a single route. If a PAYG scheme is introduced or expanded on rail, we could have an opportunity to change this.

### Other PAYG systems

#### How would the proposed PAYG travel area relate to existing PAYG systems in operation?

- 56 A number of train operators have already committed to roll out PAYG as part of their franchise agreements with us. The map in Figure 2 includes the extent of current PAYG systems and where GTR are planning to extend PAYG using TfL's systems.
- 57 There are two important differences between a joined-up PAYG travel area and these other systems.
- 58 Firstly, the existing systems are currently unable to integrate with the London fares structure operated and, in large part, set by TfL. Passengers wanting to travel on the tube or London bus network would need to switch to a different ticket, while passengers travelling on the rail network within London could find that they are not offered the same fare that they would have got if they were using Oyster or Contactless.
- 59 Secondly, this consultation asks for views on options for changes to fares which could help support flexible travel patterns. The franchise-led systems automate the

ticketing process, offering much greater convenience, but do not include the complementary changes to fares and the benefits that this offers.

### 3. The potential PAYG travel area

60 This section of the consultation document provides further details as to how the PAYG travel area work in general and the potential extent of the area.

#### What is a PAYG travel area and how would it work?

61 Subject to the feedback we receive, we would work with train companies and TfL to consider the feasibility of a joined-up PAYG travel area. The focus of the area would be on people who travel into and around London by rail. Table 1 summarises the key features of the potential PAYG travel area and what this would mean for passengers.

<b>Feature</b>	<b>What this means</b>
Integration	Passengers would be able to travel seamlessly between all rail services in the area and on the TfL network, all using the same PAYG ticket or account. In some cases, a PAYG scheme could also extend to local transport services such as buses, although this is not the primary focus of our proposals.
Fares	We will consider changes to fares where this helps passengers gain the benefits of PAYG travel, making them simpler and more reflective of modern travel preferences, and potentially introduce a cap on daily or weekly fares.
Technology	No decisions have been made. A number of options are available, including using dedicated transport smart cards, contactless bankcards, to 'tap' at different points on the network and allow the computer to work out the best fare. New technology based on mobile phones could remove the need to 'tap' on dedicated readers.
Other ticketing options and mobile ticketing	Passengers would still be able to buy tickets in advance. The Government's recent £80m investment in smart ticketing means that a smart ticket option will be available across almost all of the rail network. For single and return fares this is often likely to be a barcode ticket which passengers can print at home or display on their mobile phone. Technology already exists to allow mobile phones to store bankcards, which means mobile phones can be used with TfL's Contactless system. Similar technology is being trialled that could allow mobile phones to store dedicated transport smart cards. This could allow mobile phones to work with PAYG systems based on dedicated transport smart cards as well.
Passengers without a bank or credit card	The PAYG roll out plan, following this consultation, would need to ensure that the choice of technology does not inadvertently exclude some sections of society. For instance, you currently need a bank card or credit card to use TfL's Contactless system. Instead, for passengers without access to these, the Oyster system is available. We do not currently have plans to withdraw paper tickets.
Discounted fares	The PAYG roll out plan, following this consultation, would need to ensure that the choice of technology is able to offer discounted fare schemes. For instance, it is not currently possible to apply a concessionary discount to travel made using TfL's Contactless system. Instead, discounts can be applied to Oyster cards, or special Oyster cards are issued for passengers who are eligible for discounted travel.

Feature	What this means
Penalties for not 'tapping out'	<p>Assuming the system adopted requires passengers to tap at the start and end of their journey, there is a risk that a small minority of passengers might try to 'cheat the system' by not tapping their card or phone. This simply means that other law-abiding passengers have to pay more, and is unfair. To encourage all passengers to tap in and out, we propose that there would be a maximum fare for not tapping out.</p> <p>On the other hand, passengers might simply forget to tap their card or phone at a free-standing card reader on the station. To address this, (a) every effort would need to be made to identify the 'missing tap' and (b) the maximum fare should be reasonable and applied with a significant amount of discretion.</p>
One-click compensation	<p>Since a core feature of most modern PAYG ticketing systems is the facility to use location information (e.g. from 'taps') to identify what trains a passenger has taken, there is a good opportunity for PAYG travel to speed the introduction of 'one-click' compensation. The c2c franchise is able to offer automated compensation arrangements already for registered smart card users: as a fully-gated network, passengers using smart cards already have to both 'tap in' and 'tap out'.</p>

Table 1 Features of a PAYG travel area

Q4 – Do you agree with the proposals as to how a PAYG travel area would work?

Q5 – Please explain why

### Technology

- 62 We have not made any decisions regarding the choice of technology, in part because we want to focus on the benefits to passengers above the systems that are used to deliver them. The options include dedicated transport smart cards or using passengers' own contactless bank cards like in London. **Annex B** sets out how they work and where each of them might be most suitable. It is possible more than one type of PAYG technology may be adopted.
- 63 While the Oyster card in London is well-known and popular, this system is based on 'first generation' technology which limits the number of fare combinations it can handle. This system could not be extended to any significant degree without modification.
- 64 While we have not yet made any decisions about technology, it is likely that TfL's contactless bank card system would play a part in any PAYG travel area. As Table 1 sets out, we would need to consider carefully what technical approach is adopted to ensure that we do not inadvertently exclude some sections of society - for example, not everyone has access to a bank card.

Q6 – Which smart ticketing technology, or technologies, would you prefer to use? (the current options are contactless bank card, dedicated smartcards for transport and the Oyster card)

Q7 – Please explain why

Before we can finalise the technology we would also need to agree this with the train companies and TfL.

## Where would the PAYG travel area be?

### How we have developed the area

- 65 We have used two main principles to determine how far a PAYG travel area might extend. They are described below. We would also use these principles if changes to the network mean that we were to consider expanding any PAYG travel area in the future.
- 66 **Consistency.** If a station is included in a PAYG scheme, nearby stations a similar distance from London would usually have PAYG and would usually have similar fares for travelling into London. If local buses already have a PAYG scheme (including one that uses TfL's systems), it would sometimes make sense to introduce a similar system to nearby rail stations. When considering the boundary of a PAYG scheme we would need to take into account both current PAYG schemes and commitments rail companies have made to extend PAYG. Logical routes and service patterns (for example, the extent of suburban services on a particular line) are also a factor.
- 67 **Passenger demand and benefits.** The more passengers that use a station, the more useful PAYG is likely to be. Introducing PAYG to stations near popular destinations would make rail a more attractive choice for passengers and this could lead to an increase in rail travel, such as when PAYG avoids hassle such as queuing to buy a ticket. We would also take into account the amount that passengers would benefit from easier travel and simpler fares, in particular in places such as airports or areas with several different rail lines.

Q8 – Do you agree with these principles for deciding which stations a PAYG scheme could cover?

Q9 – Please explain why

### The potential PAYG travel area

- 68 The focus of this consultation is on an expanded PAYG travel area in the South-East, which is the latest step toward our ambition to roll out PAYG across urban and regional commuter areas. Other PAYG developments we are supporting include South Western Railway's Tap2Go system and Transport for the North's £150m multi-modal PAYG scheme. The South-East is particularly busy for rail travel and a large number of people would benefit, which means any investment in ticketing systems has a good chance of delivering value for money.
- 69 The map in Figure 3 sets out the potential PAYG travel area. This includes the first wave of extension of PAYG to 13 national rail stations on Govia Thameslink Railway, which is due to commence in early 2019 with stations to Hertford North and Epsom, and to conclude with stations to Luton Airport and Welwyn Garden City later in the year.
- 70 PAYG travel may be best suited to rail journeys of relatively low value. This would help to give passengers confidence that by tapping in at one station and tapping out at another, they would pay an affordable fare. The greater distance PAYG covers, the higher fares tend to be, and we would like to know how comfortable passengers would be with traveling this way over a longer distance.

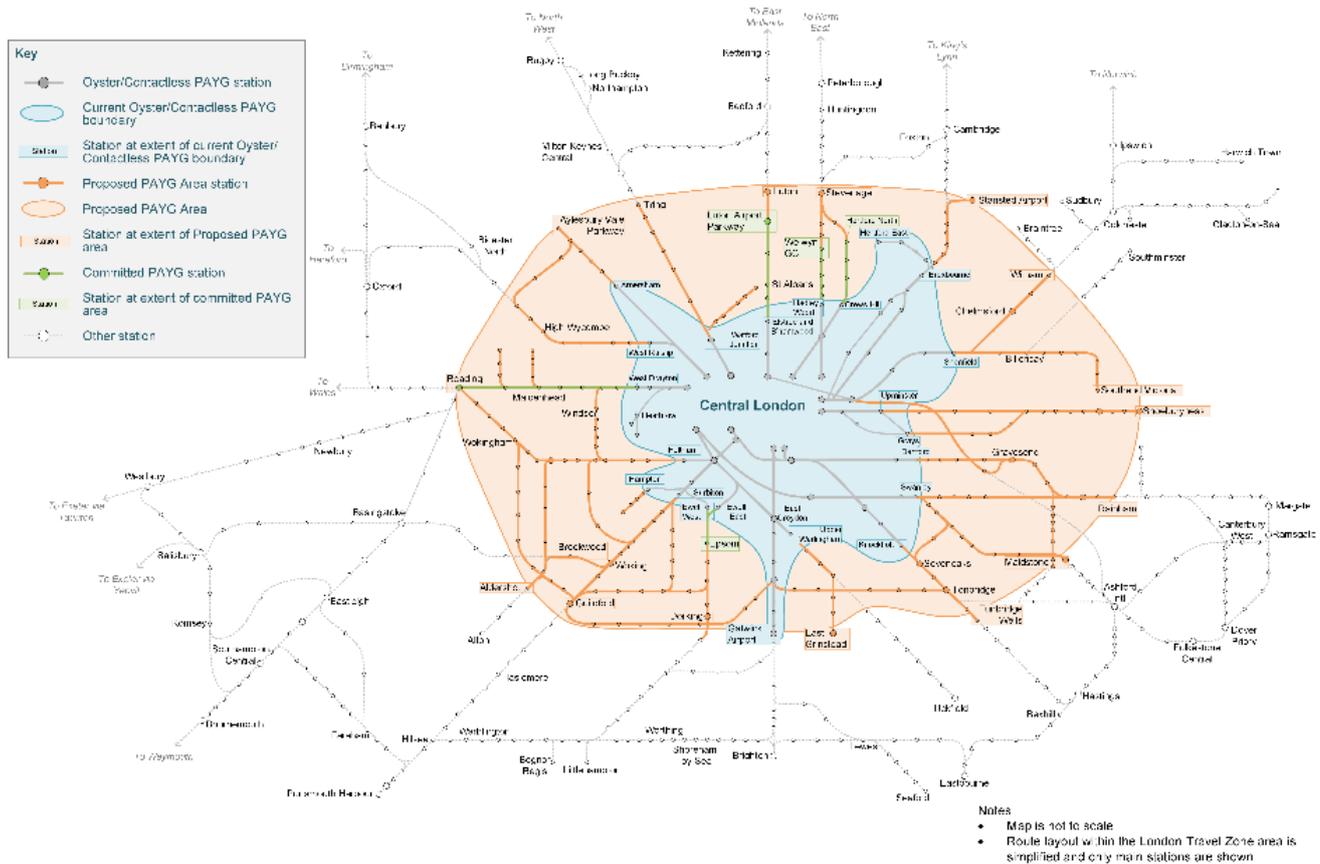


Figure 3 Proposed PAYG travel area, shown with existing committed PAYG schemes

71 We have also included a line-by-line explanation of our proposals in **Annex C** and more detailed maps in **Annex D**.

Q10 – Do you agree with the proposed PAYG travel area?

Q11 – Please explain why

Q12 – Would our plans for PAYG encourage you to travel more by rail?

Q13 – Please explain why

### Alternative expanded PAYG travel area

72 We are also actively considering extending PAYG travel even further. Large towns and cities such as Brighton, Oxford and Milton Keynes attract significant numbers of commuters, business travellers and tourists alike. The area could also include Bedford and the Bedford-Milton Keynes line. Figure 4 shows how far an expanded PAYG travel area might extend.

73 PAYG travel for these distances, however, would need to take into account additional factors such as:

- In order to be consistent, the travel area may need to include a very large number of smaller stations with low demand levels. This would mean that this wider PAYG travel area would be worse value for any taxpayers' money invested than the PAYG travel area shown in Figure 3.
- Fares between London and these locations are higher. This means that passengers may not be prepared to travel on a PAYG basis (since the cost of

travel may not always be known by the passenger in advance) and the amount of revenue that could be affected if the system fails or is abused is greater.

- The argument for dedicated 'operator-specific' and advance purchase fares is greater for leisure destinations. This is difficult for a PAYG system to offer, and might make it difficult for the scheme to guarantee the most appropriate fare.

74 One option is to study the first wave of PAYG expansion before deciding whether to expand the scheme further.

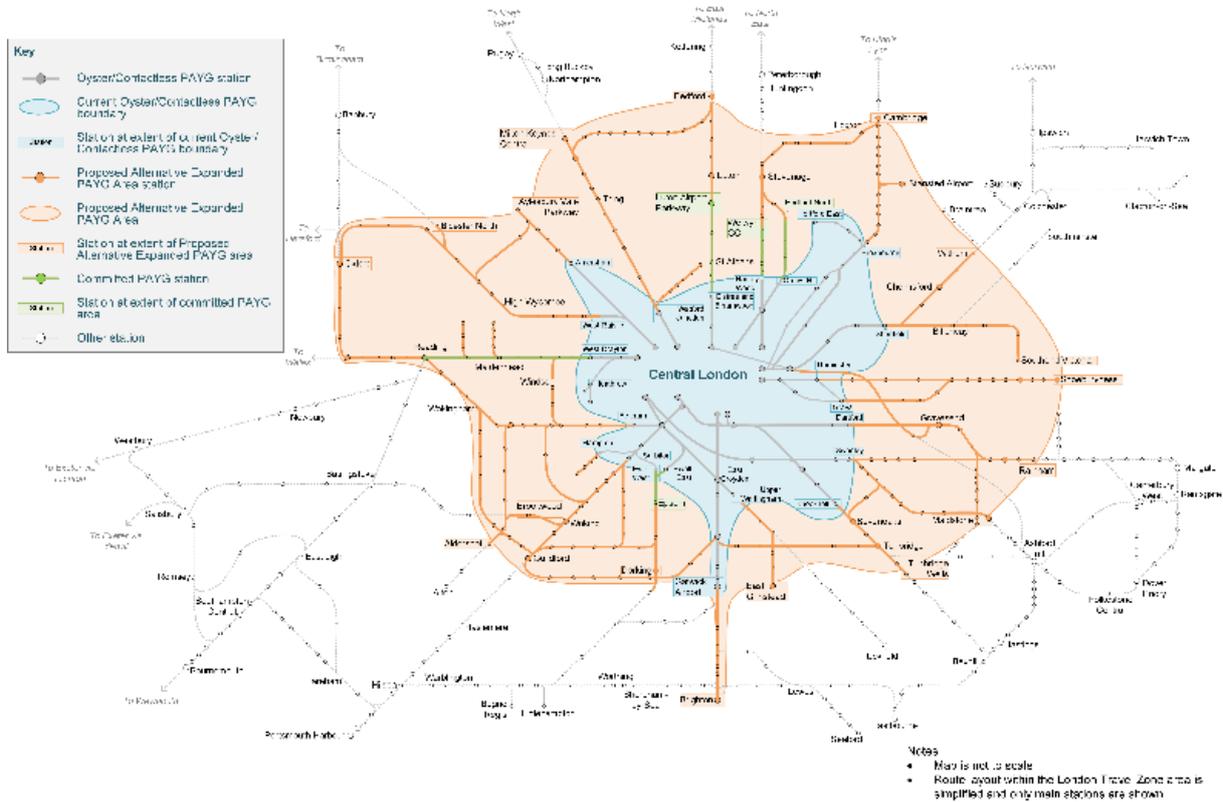


Figure 4 Proposed alternative expanded PAYG travel area, shown with existing committed PAYG schemes

75 The diagrams in **Annex E** show the distance from London of each of the outermost stations for both the proposed and alternative expanded PAYG travel areas.

Q14 – What is the highest amount you would be comfortable in spending to make a rail journey by PAYG? Should there be a cap?

Q15 – Do you think that we should extend PAYG further away from London to busy destinations such as Brighton, Cambridge, Milton Keynes or Oxford?

Q16 - Should any rollout be phased gradually?

Q17 – Please explain why

### Outside of the PAYG travel area

76 Outside any PAYG travel area we will continue to work with train companies and local authorities to consider proposals to bring PAYG travel to urban and regional commuter areas. Outside of any PAYG travel area, we would not expect to require train companies or local authorities to bring forward proposals but, if they did, we would consider these on their merits.

77 PAYG travel becomes less important for longer-distance journeys, where passengers are more likely to want to book ahead to secure a better deal. For longer-distance travel we will continue to work with train companies to make ticketing and journey planning more convenient and user friendly.

## 4. How could fares complement PAYG travel?

- 78 PAYG travel has the potential to offer a fairer way of using the railway. This is because the amount you pay can more closely reflect the how much you travel and when you make your trips than can sometimes be the case at the moment.
- 79 We have identified a set of core changes to fares which are commonly found in PAYG travel. These are detailed below. We have also identified some other changes that could be beneficial, which we would like your opinion on.

### Fares changes and funding the railway

According to the Office of Rail and Road, our railway costs around £20bn to operate and enhance each year. This is paid for out of a combination of passenger fares and taxpayer subsidy<sup>4</sup>. It is not our intention that the balance between these two sources of income is affected by this consultation, which has implications for how fares might change.

We want views on the options for changing the way fares work while keeping this balance. Some of the ideas for doing this involve balancing reductions in some fares with increases in others - we are consulting because we want to make sure that we understand how people would be affected before we make a decision.

**Our intention is that the overall amount of revenue paid by passengers will not change as a result of the implementation of PAYG travel; the proposed PAYG travel area would not be a means to secure more revenue for the rail industry.**

### Options for changing fares

#### 'Mix-and-match' peak and off-peak fares based on each leg of a journey

- 80 Some passengers may not see a benefit in travelling on a PAYG basis using some of the current fares. For example, because of the way some singles and returns are currently priced, many passengers will find that their cheapest option is to buy a peak return fare even when they only want to travel in the peak for one leg of their journey. This structure means that passengers are not able to benefit from mixing-and-matching peak and off-peak fares based on their actual journey.
- 81 One option for introducing PAYG fares is to change the way single and return prices are set so that a return journey costs the same as two singles. This is sometimes known as 'single-leg pricing'. This change will mean that passengers choosing to travel at quieter times should always pay less than passengers who travel at peak times.

<sup>4</sup> A small amount of income is also derived from other sources like renting station space to shops and advertising.

Q18 – Do you think passengers should be able to mix-and-match peak and off-peak fares?

Q19 – Do you think that single and return fares should be re-priced so that it is always cheaper to travel at quieter times?

Q20 – Please explain why

### **Capping**

82 While PAYG travel can be more convenient and the complementary changes to fares can mean that travel costs better reflect the use that passengers make of the network, it does mean that the amount you pay in the course of a week is uncertain. Some form of daily and weekly capping could help passengers know that they will not pay more than a set amount.

83 We expect that the daily and weekly caps would need to be set at a level that is similar to today's prices, in order for PAYG travel to be attractive.

Q21 – Do you think the amount that passengers pay using PAYG should be capped so that they know how much in total they will be charged?

Q22 – Please explain why

### **Part-time commuters**

84 It would be simple to turn existing daily and weekly ticket prices directly into daily and weekly cap levels. However, at present some weekly season tickets cost as little as two return tickets, which means that full-time commuters get a better deal than part-time commuters.

85 One option is to reform the relative levels of daily and weekly fare caps in some cases so that passengers travelling part-time pay less than those who travel full-time. This would probably involve a combination of increases to weekly prices and decreases to daily prices so that passengers who commute part-time now, or may do so in the future pay for what they use, and the overall cost to the taxpayer remains the same.

Q23 – For routes where it is cheaper to buy a weekly season ticket than five peak return tickets, do you think that daily prices should decrease and weekly prices, increase?

Q24- Do you have any other suggestions for making fares fairer for part-time commuters?

Q25 - Should there be both PAYG as well as weekly tickets available for the same routes?

Q26 – Please explain why

### **Making fares simpler**

86 Simple fares help passengers to trust PAYG systems and stop the payment systems that sit behind the scenes from becoming too complex. Some passengers may like to understand what they will be charged when they complete their journey. The ways this could be done include withdrawing discounted fares that are specific to a single operator or have some other restrictions. This might also mean having fewer different levels of fares so that there are just peak and off-peak prices, similar to the system that TfL uses within London.

87 Sometimes, where two or more operators cover the same route, one operator might introduce a fare specific to their own route that is cheaper than the 'Any Permitted' fare. An example of such as route is London to Milton Keynes, which is served by Virgin West Coast and West Midlands Railway. These fares are available for day singles, returns and weekly seasons. One option to make fares simpler would be to make fares the same for all operators; it would be difficult to make PAYG work without this because current technology cannot automatically tell which train you get on. Another option is to apply similar changes to Super Off Peak fares bought on the day of travel, for similar reasons.

Q27 – Where two or more operators cover the same routes, should PAYG fares be the same for all such operators?

Q28 – Should Super Off Peak and Peak tickets have the same price?

Q29 – Please explain why

Q30 – Do you have any other suggestions for making fares simpler?

### **Different fares for travel that isn't PAYG**

88 We want to encourage as many people as possible to travel using smart tickets and contactless bank cards. That's because as well as being more convenient, PAYG travel is also more efficient than providing more and more ticket machines.

89 One way of doing this could be to make PAYG fares cheaper than their non-PAYG equivalent. Non-PAYG tickets may still exist, but they would be more expensive than the cash equivalent. Alternatively, passengers not traveling by PAYG might not have access to some cheaper fares. For example, it may be that the only return tickets not on a smart medium are priced at peak levels - although we would need to ensure that any such changes are proportionate.

90 However, either approach would need to be handled with extreme care. If, for any reason, passengers are unable to use PAYG travel, we do not want them to be unfairly penalised. This makes it even more important that any technology adopted can cater to as many types of passenger as possible.

91 Some discounted tickets would still need to be purchased in advance, such as Groupsave. As a general rule, tickets that must currently be purchased in advance are unlikely to be available through PAYG in future.

Q31 – Should fares for PAYG travel be cheaper?

Q32 - (Alternatively), would you be willing to pay more for PAYG as long as any refund for delays is automatically credited to you, when you are entitled to it?

Q33 – Please explain why

## What might this mean for my travel costs

It is not possible to exactly predict how the changes might impact on an individual's travel costs at this stage. We have not decided how best to change the way that fares work. Any changes to price would need further detailed analysis, and how this will affect individuals will depend on their travel patterns and how they might change these in response to PAYG travel.

However, people tell us that it is important that we improve the relationship between the amount you pay and the amount you use of the rail network. This could involve giving every passenger the opportunity of saving money by travelling at quieter times or travelling less often.

One option is 'single-leg pricing', which would mean that passengers who travel out in the peak period, but return in the off-peak will pay less than those who travel both directions at peak times. Similarly, the option of reforming the way that daily and weekly tickets are priced relative to each other would make it more likely that passengers travelling fewer than five days a week will see a financial advantage in doing so.

The changes will need to be neutral overall to the taxpayer, so these options may mean that those who do make the most use of the network over the course of a week could pay more than they do now. On the other hand, there could still be savings over the course of a month or a year as a result of not needing to commit to a full month or year's travel up front, and from flexible working and avoiding peak hours.

We would not expect to withdraw season tickets bought in advance, but passengers may find that the opportunities to save with PAYG travel make it a cheaper option overall. It may also be possible to introduce a simple monthly or annual cap in the future so that passengers do not need to make this decision in advance, just as with weekly capping.

## Other potential changes to fares

### Zonal pricing

- 92 The cost of traveling on rail is currently set on a station-by-station basis, but it could instead be set by creating zones and charging according to the zone the station is in. This is how the Oyster card in London charges for travel, with the price changing in line with the distance from London. If we were to use a similar system on National Rail, we would also be able to set up zones in another way. The aim of these 'zonal fares' would be to make fares more consistent between different lines and make it much easier for passengers to understand the price they will pay. In order to move to zonal fares, there would need to be significant changes to the prices of tickets - over and above the other changes described in this document.
- 93 This is not to say that some point-to-point fares could not remain. As is often the case in London already, passengers not wishing to adopt PAYG travel, and who regularly commute between two stations, could still use point-to-point season tickets.

Q34– Would you support a move to zonal fares?

Q35 – Please explain why

Q36 – What other changes to fares should we consider?

Q37 – Please explain why

## 5. What happens next?

- 94 We will consider the arguments and evidence put to us, together with other evidence such as estimates of the financial and economic impact, to decide the next steps.
- 95 This consultation launched on 7 February 2019 and will end on 1 May 2019. We will then aim to make a decision and publish the reasons behind it, along with the timescale for delivering the changes, over the next few months. We would then need to agree the extent of any PAYG travel area, along with changes to fares and technology, with train operators before they are finalised.

## 6. Summary of Questions

Q1 – Do you think that the price you pay to travel by rail should relate more closely to the amount that you travel?

Q2 – Do you think that there should be more options for people who work part-time?

Q3 – Please explain why

Q4 – Do you agree with the proposals as to how a PAYG travel area would work?

Q5 – Please explain why

Q6 – Which smart ticketing technology, or technologies, would you prefer to use? (the current options are contactless bank card, dedicated smartcards for transport and the Oyster card)

Q7 – Please explain why

Q8 – Do you agree with these principles for deciding which stations a PAYG scheme should cover?

Q9 – Please explain why

Q10 – Do you agree with the proposed PAYG travel area?

Q11 – Please explain why

Q12 – Would our plans for PAYG encourage you to travel more by rail?

Q13 – Please explain why

Q14 – What is the highest amount you would be comfortable in spending to make a rail journey by PAYG? Should there be a cap?

Q15 – Do you think that we should extend PAYG further away from London to busy destinations such as Brighton, Cambridge, Milton Keynes or Oxford?

Q16 - Should any rollout be phased?

Q17 – Please explain why

Q18 – Do you think passengers should be able to mix-and-match peak and off-peak fares?

Q19 – Do you think that single and return fares should be re-priced so that it is always cheaper to travel at quieter times?

Q20 – Please explain why

Q21 – Do you think the amount that passengers pay using PAYG should be capped so that they know how much in total they will be charged?

Q22 – Please explain why

Q23 – For routes where it is cheaper to buy a weekly season ticket than five peak return tickets, do you think that daily prices should decrease and weekly prices, increase?

Q24- Do you have any other suggestions for making fares fairer for part-time commuters?

Q25 - Should there be both PAYG as well as weekly tickets available for the same routes?

Q26 – Please explain why

Q27 – Where two or more operators cover the same routes, should PAYG fares be the same for all such operators?

Q28 – Should Super Off Peak and Peak tickets have the same price?

Q29 – Please explain why

Q30 – Do you have any other suggestions for making fares simpler?

Q31 – Should fares for PAYG travel be cheaper?

Q32 - (Alternatively), would you be willing to pay more for PAYG as long as any refund for delays is automatically credited to you, when you are entitled to it?

Q33 – Please explain why

Q34– Would you support a move to zonal fares?

Q35 – Please explain why

Q36 – What other changes to fares should we consider?

Q37 – Please explain why

# Annex A: Frequently Asked Questions

*Q: Can you include my local station in zone 6?*

- 96 Changes to London Fare Zones are outside the scope of this consultation. The application of London Fare Zones to the National Rail network is governed by contractual agreements between train companies and Transport for London (TfL). Train companies and TfL may propose amendments to these agreements and extend Oyster/Contactless to new locations with any changes requiring the approval of the Secretary of State.

*Q: Are you going to withdraw paper tickets?*

- 97 We do not currently have any plans to withdraw paper tickets, but we do want to encourage people to use smart tickets, which will naturally lead to fewer paper tickets being sold. This means that passengers who cannot, or do not wish to, access bank cards or mobile phones may continue to use paper tickets.
- 98 We will consider asking train operators to withdraw paper tickets only when they have a smart ticketing solution that is at least as accessible as paper tickets, including the ability to purchase a smart ticket on arriving at a station where paper tickets are currently on sale.

*Q: If my local station is included in a PAYG scheme, would this mean TfL will set my fares?*

- 99 A: No. The way that fares are set can be complicated, but as a general rule they are set by the company that runs the trains on your local line. We have an agreement with TfL for national rail fares to apply to stations where we use TfL's systems at stations beyond the original zones 1-6, such as Gatwick, and we would seek to reach a similar agreement if we were to use TfL's systems at more stations.

*Q: Why can't you tell us what the new fares would be?*

- 100 The reasons why we can't set out the precise changes to fares at this stage include that:
- We have not yet decided how best to change fares, and we would need to first discuss the details of changes with TfL and train companies.
  - We need to roll out the first wave of expansion described in Section 2 before we know how PAYG will affect the number of people travelling by rail and the fares they use. This is important as we will aim to make any expanded or new PAYG scheme cost-neutral to the taxpayer.
  - The PAYG travel area may change as a result of this consultation, and this may change fares.

*Q: The KeyGo system operated by Govia Thameslink Railway works perfectly well at the moment, so why are you consulting on changes to fares?*

- 101 A: While the KeyGo system works for travel between national rail stations, it doesn't

currently allow for travel on TfL's services and doesn't allow for daily or weekly capping. While its 'carnet' tickets help provide better value for people that don't commute full-time, they don't allow commuters to make peak journeys sometimes and off-peak journeys at others. Govia Thameslink Railway would need to make similar changes if it were to allow cross-London travel and introduce weekly capping.

*Q: What other options did you consider?*

102 A: We have considered how far the PAYG travel area could extend on a line-by-line basis, as set out in **Annex C**.

## Annex B: PAYG technology

B.1 **Oyster** The Oyster card is more suitable closer to London, where passengers travel into London and pay similar fares to those used in existing Oyster zones.

System	What is it?	How it works	Where it is most suitable	Where else can the card be used?
Oyster smartcard	A plastic smartcard which can hold PAYG credit, Travelcards and Bus & Tram Passes.	<p>Fares taken from pre-paid credit balance. Can be set to top up automatically.</p> <p>Requires a deposit.</p> <p>Contactless bank card travel (see below) is automatically available in all stations that accept Oyster.</p> <p>Oyster can be obtained and topped up locally and used without setting up an account.</p>	<p>Within / near to Greater London.</p> <p>Oyster is built to support a limited number of fares and zones, and so is less suitable further away from London.</p>	A wide range of public transport within Greater London and a selection of other rail stations such as Gatwick airport.

B.2 **Bank cards and Smartcards** Further away from London, the Oyster card becomes less suitable as it is built to support a limited number of fares and zones. Either smartcards, contactless bank card schemes or a combination of the two could be suitable for providing PAYG to many of these stations. Both bank cards and smartcards are used on other local transport services, and so have the potential to offer seamlessly joined up travel in the longer term.

System	What is it?	How it works	Where it is most suitable	Where else can the card be used?
Contactless bank card	Your credit or debit card - including cards stored in mobile phone 'digital wallets'.	<p>Money taken directly from bank account or credit card account.</p> <p>Contactless bank card travel is available on all stations in the South-East that accept Oyster.</p> <p>People without bank accounts may be at a disadvantage if contactless bank cards are the only option for PAYG.</p> <p>Cannot currently offer concessionary discounts.</p>	<p>Commuter areas with short- or medium-distance journeys, or wider areas with relatively low fares.</p> <p>It is already used for rail journeys in the London area - TfL report that 60% of train operators' revenue here comes from contactless payments.</p> <p>While an upper limit of £30 currently applies to contactless bank payments in shops, a different limit may apply to rail journeys.</p>	<p>Most shops</p> <p>All stations that accept Oyster.</p> <p>Selected other local transport services including all those run by TfL and most major private bus operators.</p>
Transport smartcard ('ITSO' format)	A plastic smartcard (including potentially cards stored in mobile phone 'digital wallets'). These will typically store single, return or season tickets but can be set up to allow PAYG travel.	<p>Money can be taken directly from bank account, credit card account or a pre-paid credit balance held in the customer's travel account. Can be set to top up automatically.</p> <p>Passengers need to obtain card and download PAYG credit before travel.</p>	<p>Similar to contactless bank cards.</p> <p>TfL's services currently accept ITSO tickets, and could be upgraded to accept ITSO PAYG.</p>	<p>ITSO smartcards now support digital single and season tickets across most of the rail network.</p> <p>On 'Plusbus' with certain bus operators</p>

## Annex C: Proposed PAYG travel area, line-by-line

Line	Proposed extent of PAYG travel area	Reason(s)
Midland Mainline	Luton	<ul style="list-style-type: none"> <li>• Extending to Luton would capture significant numbers of passengers at Luton and Luton Airport Parkway stations. The boundary would also capture the entirety of the Luton to Rainham Thameslink service.</li> <li>• The extension meets one of the strategic aims of the Department to capture the busiest London airports (Luton) within an expanded PAYG area.</li> <li>• The PAYG area was not extended any further in our core proposals as stations directly north of Luton before Bedford have relatively low demand.</li> <li>• We are also consulting on the option of extending the PAYG travel area further to destinations such as Brighton - in which case, the PAYG zone could extend to Bedford on this line.</li> </ul>
East Coast Mainline	Stevenage (including Hertford North branch)	<ul style="list-style-type: none"> <li>• This would include all Great Northern suburban routes on the Moorgate branch including some services running to Stevenage</li> <li>• Stevenage station has significant numbers of passenger flows with around 4 million annual entries and exits</li> <li>• Greater consistency between Hertford North and East branches</li> </ul>

Line	Proposed extent of PAYG travel area	Reason(s)
		<ul style="list-style-type: none"> <li>• In our core proposals we do not propose extending further because Hitchin falls outside the extent of Great Northern services and expanding there would mean inconsistency between train operators in the area</li> <li>• We are also consulting on the option of extending the PAYG travel area further to destinations such as Brighton - in which case, the PAYG zone could extend to Cambridge on this line</li> </ul>
Greater Anglia (Cambridge branch)	Stansted Airport	<ul style="list-style-type: none"> <li>• This would encourage air passengers to travel by rail. PAYG will more easily meet the needs of passengers unfamiliar with the UK rail network</li> <li>• This would capture the Stansted Express route in its entirety</li> <li>• Significant demand at Stansted Airport station (roughly 7.5 million annual entries and exits)</li> <li>• Some trains start and finish at Stansted. The next station where trains start and end is Cambridge, which is significantly further from London than Stansted and further out than the other stations in our core proposals</li> <li>• We are also consulting on the option of extending the PAYG travel area further to destinations such as Brighton - in which case, the PAYG zone could extend to Cambridge on this line</li> </ul>
Greater Anglia (Ipswich branch)	Witham	<ul style="list-style-type: none"> <li>• Extending to Witham captures the significant number of passengers travelling from Chelmsford and Witham itself, with around 10 million annual entries and exits at both stations combined. A number of services start or end at Witham ensuring the best possible consistency with service patterns in the area</li> <li>• Extending the zone this far would improve the ability for passengers to connect with Crossrail at Shenfield</li> <li>• We have not proposed extending further due to the relatively low demand at stations immediately beyond Witham and to ensure consistency with the service pattern</li> </ul>
Greater Anglia (Southend branch)	Southend Victoria	<ul style="list-style-type: none"> <li>• This would match the proposed coverage to Southend Central and Shoeburyness on the Fenchurch Street line</li> </ul>

Line	Proposed extent of PAYG travel area	Reason(s)
		<ul style="list-style-type: none"> <li>• This would encourage air passengers to travel by rail. PAYG will more easily meet the needs of passengers unfamiliar with the UK rail network</li> <li>• Demand on the Southminster branch is relatively low, which is why it is not included in the draft area</li> </ul>
Essex Thameside	Shoeburyness	<ul style="list-style-type: none"> <li>• There is significant passenger demand along the full extent of this route including Southend Central which records 3 million annual entries and exits. This extension would provide consistency across the train operators by ensuring all Southend stations the entire extent of the c2c franchise are included in the PAYG travel area</li> </ul>
South Eastern (north Kent route)	Rainham	<ul style="list-style-type: none"> <li>• This would provide consistency by capturing the full extent of South Eastern suburban services and Thameslink routes to Rainham</li> <li>• Significant demand from Medway towns (Chatham, Gillingham, Strood, Rochester &amp; Rainham). This would build the on proposed PAYG pilot in that area that we asked bidders to provide in the South Eastern Franchise competition Invitation to Tender</li> <li>• Joins up with the Elizabeth line from Abbey Wood</li> <li>• On balance we have not proposed extending beyond Rainham at this time as demand at Newington and the Sheerness branch is relatively low</li> </ul>
South Eastern (mainline / Medway Valley line)	Maidstone East / West	<ul style="list-style-type: none"> <li>• This extension would capture Maidstone stations (Maidstone East, West and Barracks), which have a passenger demand of roughly 2 million annual entries and exits</li> <li>• Including Maidstone stations would capture all High Speed services to Maidstone West and Thameslink routes from Maidstone East (December 2019)</li> </ul>
South Eastern (mainline)	Tunbridge Wells	<ul style="list-style-type: none"> <li>• There are a significant number of passengers using Sevenoaks and Tunbridge Wells stations, with roughly 4 million annual entries and exits at each station)</li> <li>• In terms of network coherence, a significant number of services on the South Eastern mainline start and end at Tunbridge Wells and Sevenoaks</li> </ul>

Line	Proposed extent of PAYG travel area	Reason(s)
		<ul style="list-style-type: none"> <li>• The Department determined that South of Tunbridge Wells demand falls significantly reducing the case for expanding the geographical coverage further</li> </ul>
Southern (Brighton Mainline)	Gatwick	<ul style="list-style-type: none"> <li>• We could extend the PAYG travel area further from Gatwick to locations such as Three Bridges, Haywards Heath and Horsham. Gatwick is a natural boundary due to Gatwick Express and some Thameslink services starting and ending here, but we are also consulting on extending the PAYG travel area further to destinations such as Brighton</li> </ul>
Southern (branch lines)	Reigate East Grinstead Tonbridge	<ul style="list-style-type: none"> <li>• Services start and end at Reigate, East Grinstead and Tonbridge. Extending the PAYG travel area here would deliver a consistent approach across the Southern metropolitan network</li> <li>• Including Tonbridge would also mean consistency with the South Eastern network</li> <li>• Including Reigate would be consistent with Redhill and Merstham being included in the zone</li> <li>• We considered a further extension to Uckfield but the demand on this route was relatively low. Uckfield is also significantly further from London than Gatwick, which would lead to an inconsistent boundary</li> </ul>
South Western Railway	Dorking, Guildford, Reading	<ul style="list-style-type: none"> <li>• Suburban services start and end at Dorking and Guildford. Both stations record a significant number of passengers, 8 million and 1 million annual entries and exits, respectively</li> <li>• Inclusion of Windsor &amp; Eton Riverside branch would mean consistency with Windsor and Eton Central, which we proposed to be include as a branch from the Great Western mainline</li> <li>• Including the Shepperton branch would mean consistency within the PAYG travel area</li> <li>• Extension to Reading (via Ascot) would be consistent with PAYG on the Great Western mainline and completes the route from Gatwick to Reading</li> <li>• Brockwood Station would also be included for consistency with Ash Vale and Woking services</li> </ul>

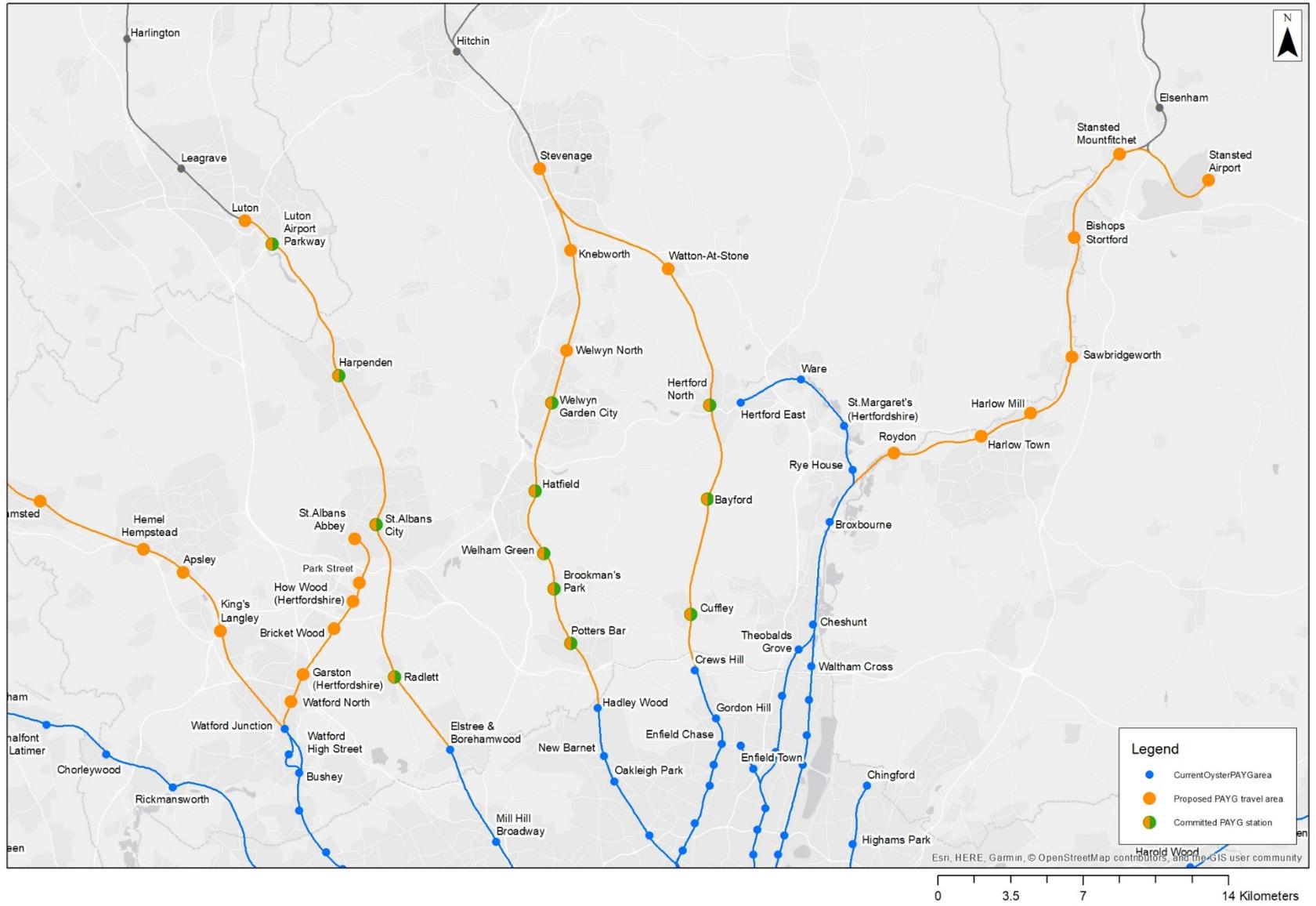
Line	Proposed extent of PAYG travel area	Reason(s)
		<ul style="list-style-type: none"> <li>We considered an extension to Alton or towards Basingstoke, but these are mainline services and their inclusion would be inconsistent with the suburban and branch lines proposed for inclusion in the PAYG travel area</li> </ul>
South Western Railway	Ascot to Guildford	<ul style="list-style-type: none"> <li>To be consistent across the whole of the South Western suburban network, we propose to include the Ascot to Guildford route in the PAYG travel area</li> </ul>
Great Western mainline	Reading	<ul style="list-style-type: none"> <li>PAYG will be extended to Reading when the Elizabeth line services start running in 2020. We think there is a good case to include the branch lines (Windsor, Henley and Marlow) as this would mean consistency with the GW mainline in this area. In the case of the Windsor line, this will also mean consistency between both routes from Windsor</li> <li>Beyond Reading demand reduces significantly, reducing the case for a further extension</li> <li>We are also consulting on the option of extending the PAYG travel area further to destinations such as Brighton - in which case, the PAYG zone could extend to Oxford on this line</li> </ul>
Great Western – Reading to Gatwick	Reading to Gatwick	<ul style="list-style-type: none"> <li>Including this route completes the corridor between Gatwick and Reading, providing consistent PAYG coverage and helping air passengers to travel to a greater share of the rail network easily and conveniently</li> </ul>
Chiltern mainline	Aylesbury Vale Parkway/Princes Risborough	<ul style="list-style-type: none"> <li>Extending to Aylesbury and Aylesbury Vale would mean that all Chiltern Suburban services via Amersham or High Wycombe are included within the PAYG travel area</li> <li>We are also consulting on the option of extending the PAYG travel area further to destinations such as Brighton - in which case, the PAYG zone could extend to Oxford on this line</li> </ul>
West Coast Mainline	Tring	<ul style="list-style-type: none"> <li>A number of suburban services start and end at Tring making it a natural boundary for expanding PAYG services.</li> <li>The PAYG area was not extended any further as the station directly north of Tring, Cheddington has relatively low demand.</li> </ul>

## Annex D: Detailed maps of the proposed area

D.1 This section contains maps setting out proposals for the following sections of the scheme, in the following order:

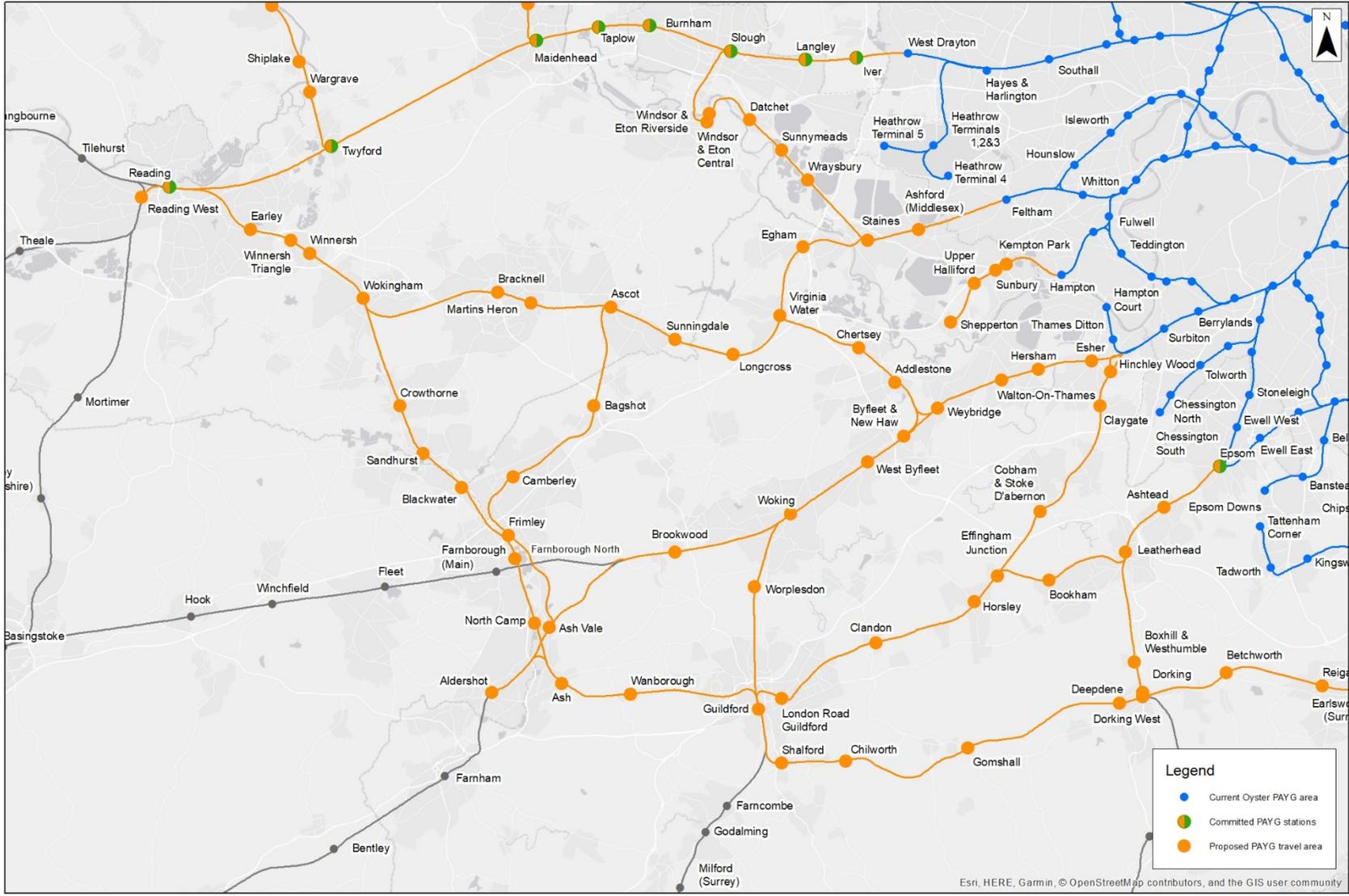
- North-West
- North
- North-East
- South-West
- South
- South-East





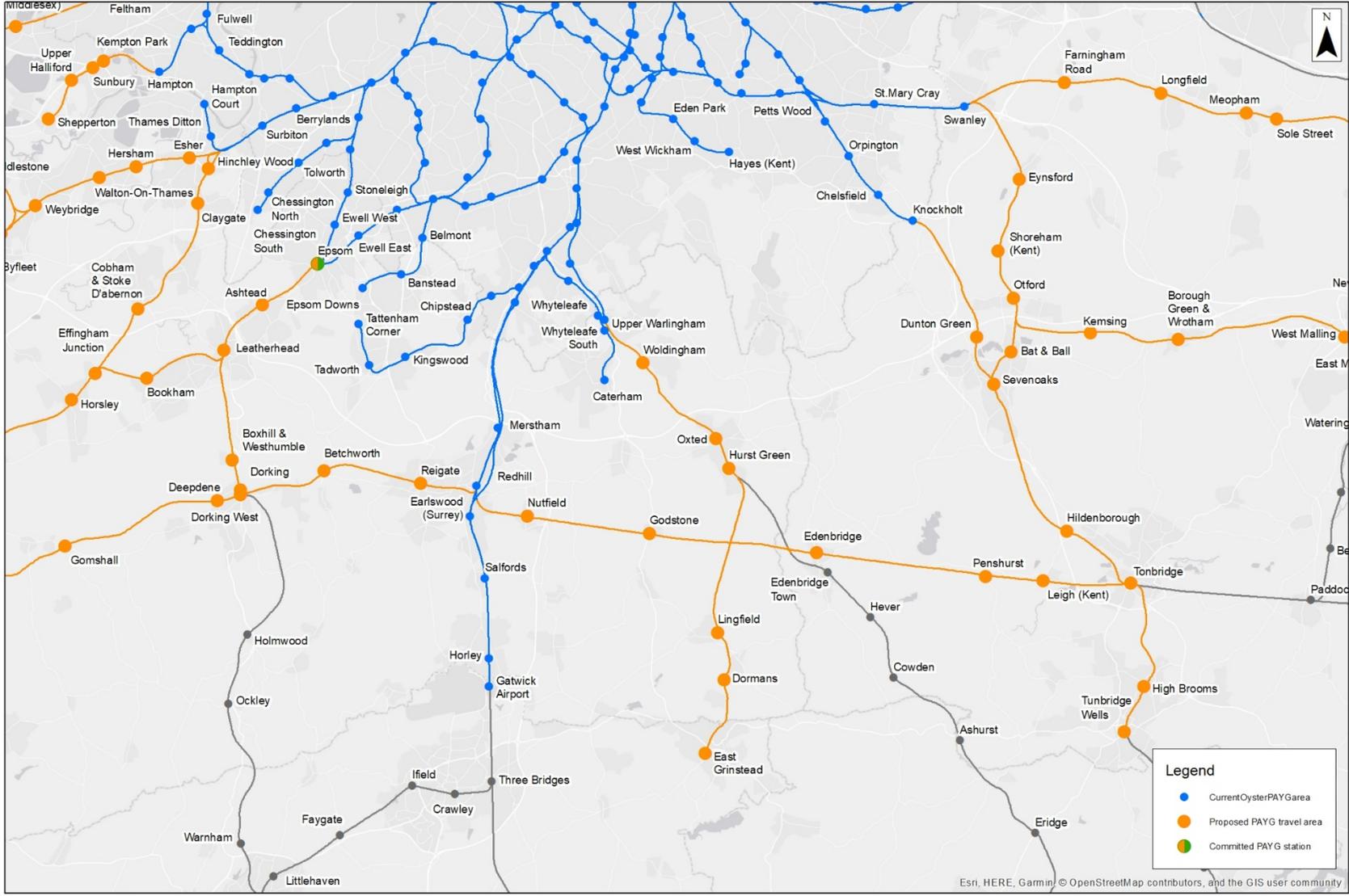
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0 3.5 7 14 Kilometers

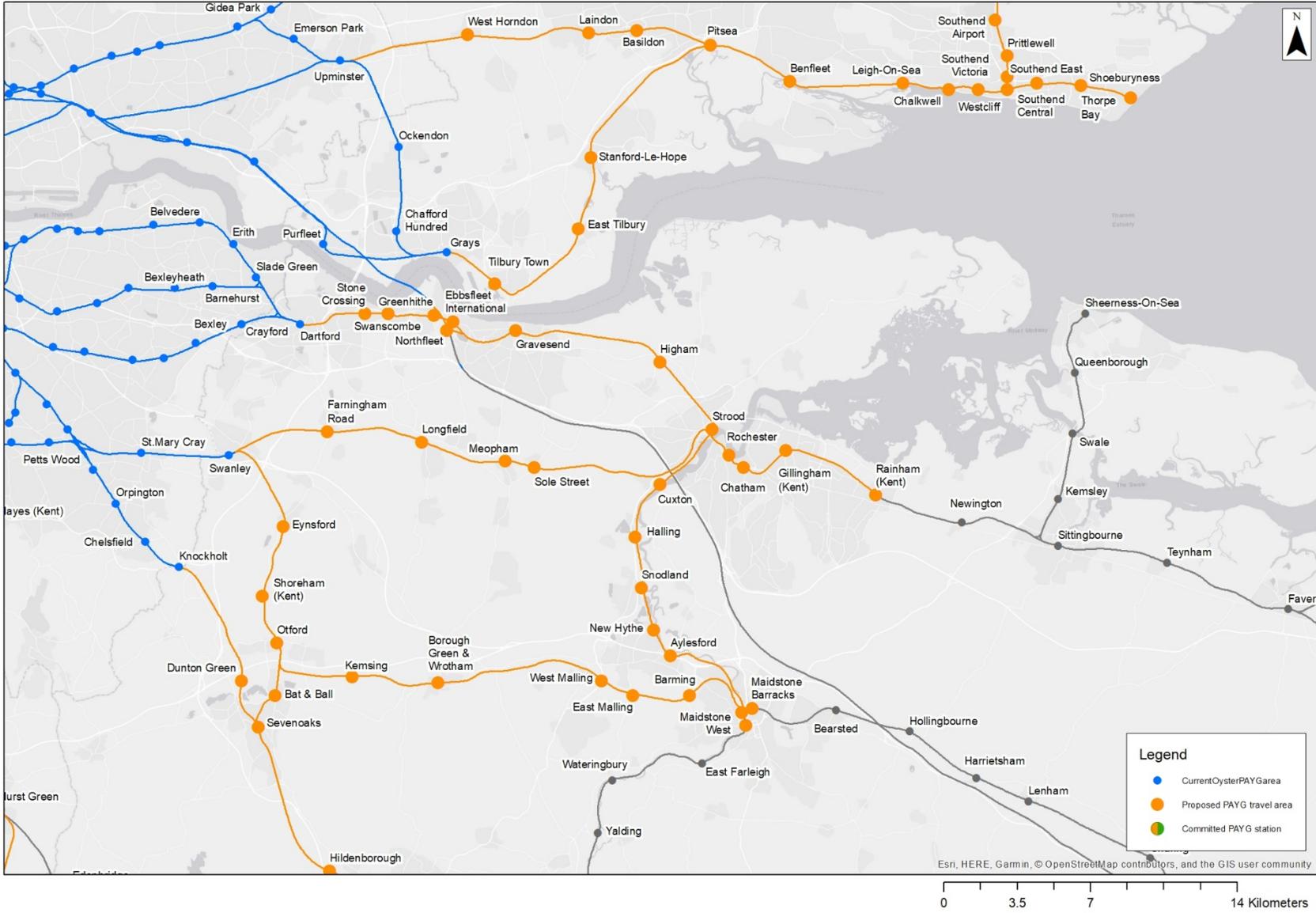


**Legend**

- Current Oyster/PAYG Area
- Proposed PAYG travel area
- Committed PAYG station

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0 3.5 7 14 Kilometers



## Annex E: Comparison of distance from London of current Oyster boundary and proposed PAYG travel area

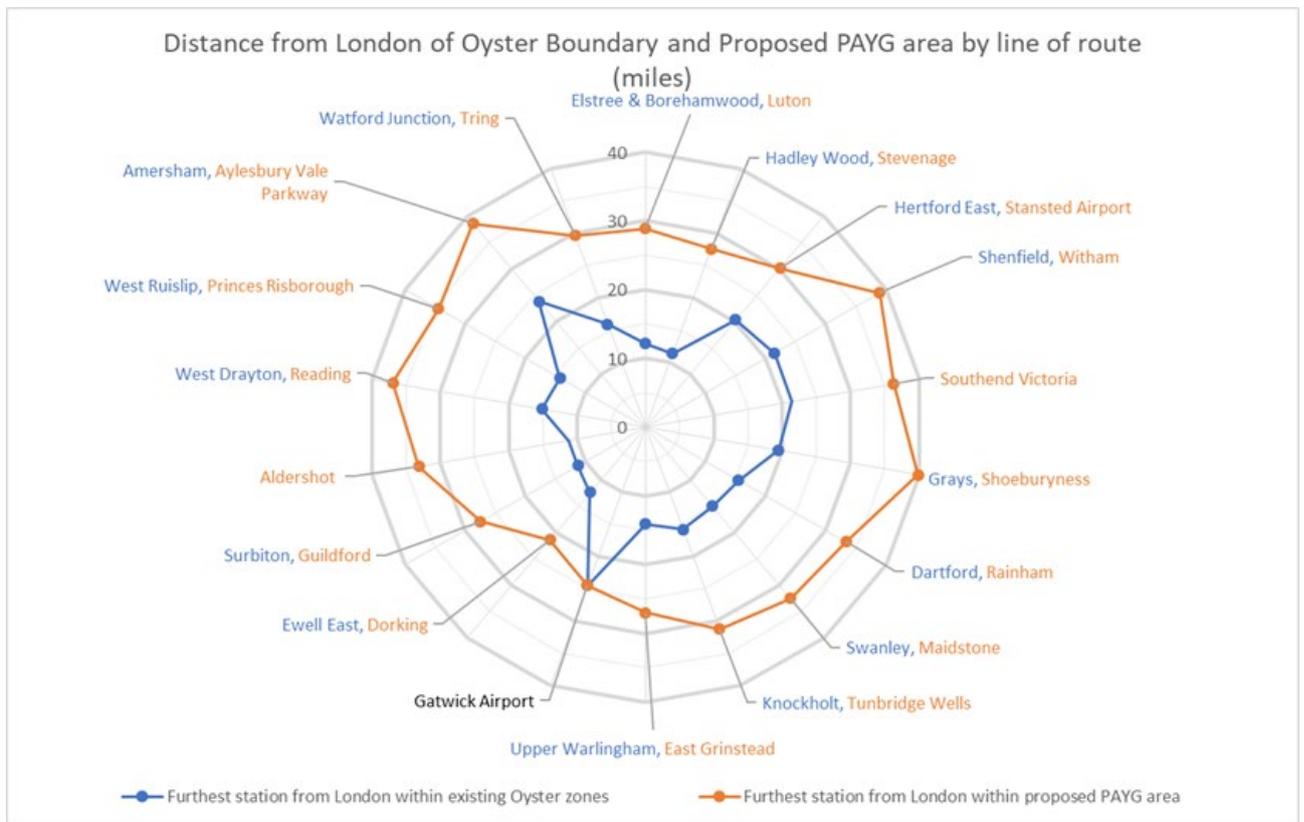


Figure D1 - Comparison of Oyster area and proposed PAYG travel area

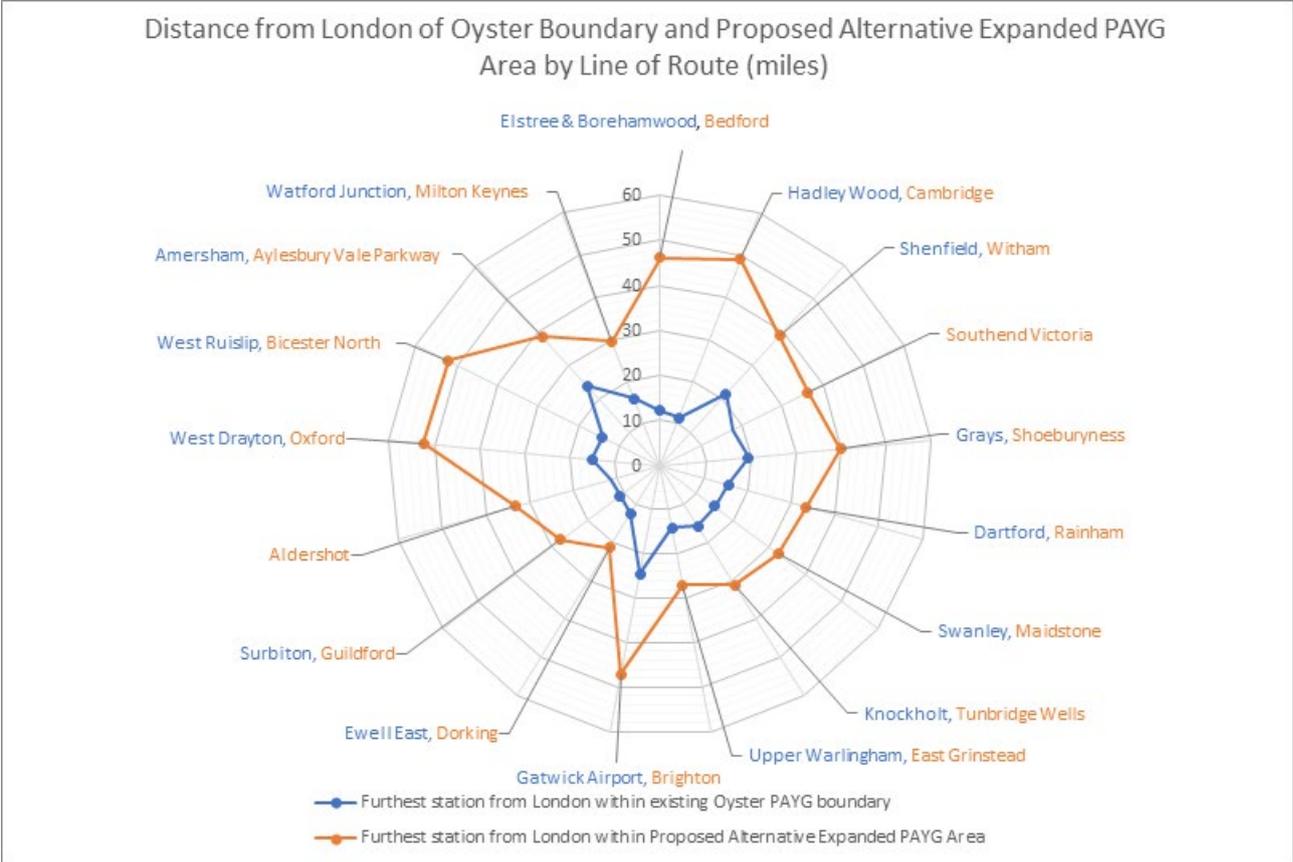


Figure D2 - Comparison of Oyster area and proposed alternative expanded PAYG travel area