

Transport ticketing schemes: what's allowed under competition law

Public transport ticketing schemes are those which allow consumers to buy tickets that can be used across multiple public transport operators. This short guide explains the schemes which are covered by the block exemption and sets out the conditions they must satisfy to comply with the law.

What transport operators need to know

Under competition law it is normally illegal for businesses to come together and agree prices or agree to share customers and markets. This reduces incentives for businesses to compete against each other, which can mean customers end up paying inflated prices and getting a poorer quality service as a result.

However, in limited situations such agreements can be beneficial, such as where they enable consumers to travel on more than one operators' services with only one ticket. The law provides a **block exemption** for this, in recognition of the clear benefits to consumers. However, schemes must meet specific criteria to be exempt.

What are the block exemption rules for a scheme to be exempt?

- It must have an open door policy and not prevent an operator from joining the scheme without good reason.
- It must not restrict how operators run their own operations (eg choice of route, ticket types, individual pricing and fare structure).
- It must not restrict how operators make their own commercial decisions (eg vehicle numbers, timetable, areas of operation).
- It must not result in operators exchanging commercially sensitive information, such as future pricing intentions or strategy, unless indispensable for the scheme to operate.

Check your scheme against the categories below

In addition, a scheme must fall into one of five categories outlined in the table below and meet specific conditions.

Type of scheme	Ticket description*	Conditions
Through ticket (TT)	Single or return journey on more than one operators' services, where the operators do not compete on running services for the same part of the route	<p>✗ Must not fix fares – each operator can set its own fare for the TT</p> <p>✓ Operators independently decide their 'posted prices' (each operator sets the price it will charge any other operators for accepting a ticket they have issued)</p>
Multi-operator individual ticket (MIT)	Single or return journey on more than one operators' services, where the operators offer competing services for the same route	<p>✗ Must not fix fares – each operator can set its own fare for the MIT</p> <p>✓ Should distribute revenue on basis of 'lies where it falls'</p>
Multi-operator travel card (MTC)	Offer multiple journeys (at least three) on different operators' services across a number of different routes	<p>✓ May agree a fixed fare (for the MTC only)</p> <p>✗ Revenue distribution must not result in higher fares or reduced incentive to compete</p>
Short-distance add-on	Buying an MTC as an extension to a journey, where operators do not compete on running services for the same part of the route	<p>✗ Must not fix fares</p> <p>✓ Use 'posted prices'</p>
Long-distance add-on	Buying an MTC or TT as an extension to an individual long-distance journey on one or more connecting services	<p>✗ Must not fix fares</p> <p>✓ Use 'posted prices'</p>

*To confirm the category of ticket your scheme falls into, refer to Parts 3 and 4 of the CMA's [main guidance](#). It is particularly important to ensure that you do not agree any prices with other operators except where this is allowed by the block exemption.

Other ways your scheme could be lawful

If your agreement doesn't meet any of the above requirements, your scheme may still comply with competition law, for example where a scheme:

- satisfies the **tests for individual exemption** set out in Parts 2 and 5 of the CMA's [main guidance](#). If it meets these tests, then a scheme will be allowed on the basis that the benefits to consumers outweigh the restrictions to competition; or
- is **not** an agreement between separate businesses that either has the object, or has the effect of, preventing, **restricting** or distorting competition; or
- is specifically excluded under competition law because of a legal requirement (eg under a quality partnership scheme).

For more information

Further detail about the block exemption can be found in the CMA's [main guidance](#). The CMA has also produced a [range of materials](#) to help businesses understand more about competition law, including [short videos](#) and [at-a-glance guides](#).

Please note: these materials are not a substitute for legal advice.