

Public transport ticketing schemes block exemption: short guide

What businesses need to know

If you are part of an agreement with other transport operators to provide multi-operator tickets, you must ensure that your agreement complies with competition law. This document provides summary details of the **block exemption criteria**. More detailed guidance can be found in the CMA's [main guidance document](#) (CMA53con).

In general, Chapter I of the Competition Act 1998 prohibits agreements between businesses that align their pricing or services, for example agreements to sell and accept tickets for other operators. However, some agreements of that nature are allowed if they meet specific conditions.

The **block exemption** allows multi-operator public transport ticketing schemes of certain types. Where the schemes meet certain criteria, they are automatically permitted.

There are also other circumstances in which some schemes could be allowed:

- (a) Schemes can be self-assessed against the conditions for **exemption** under section 9(1) of the Competition Act 1998 (see CMA53con Parts 2 and 5). If it meets these tests, it will be allowed on the basis that the benefits to consumers outweigh the restrictions to competition.
- (b) If the scheme does **not restrict** competition within the meaning of Chapter I, ie it is **not** an agreement between undertakings that has as its object or effect the prevention, restriction or distortion of competition, then the scheme will be allowed.
- (c) If the scheme is specifically **excluded** from the Chapter I prohibition, for example because it is made in order to comply with a legal requirement (eg under a quality partnership scheme), then it will be permitted.

Conditions under which the block exemption applies

For the block exemption to apply, a multi-operator or ticketing scheme must satisfy certain conditions.

First, all schemes:

- must not prevent an operator from joining the scheme without good reason;
- must not restrict operators' own operations (eg routes, ticket types, pricing and fare structure);
- must not restrict operators' commercial decisions (eg vehicle numbers, timetable, areas of operation); and
- must not result in the exchange of commercially sensitive information (unless indispensable for the scheme to operate).

Second, each scheme must fall into one of five categories, and meet the category-specific conditions shown in the table below.

Scheme	Description of ticket*	Conditions
Through ticket (TT)	Single or return journey on complementary operators' services	<p>✗ Must not fix prices</p> <p>✓ May use posted prices (the price each operator independently decides it will charge other operators for accepting a ticket the other operator issued)</p>
Multi-operator individual ticket (MIT)	Single or return journey on competing operators' services	<p>✗ Must not fix prices</p> <p>✓ Must distribute revenue on basis of 'lies where it falls'</p>
Multi-operator travel card (MTC)	Multiple journeys on different operators' services across a number of different routes	<p>✓ May agree a price for the MTC</p> <p>✗ Revenue distribution must not result in higher fares or reduced incentive to compete</p>
Short-distance add-on	MTC extension to a particular complementary journey	<p>✗ Must not fix prices</p> <p>✓ May use posted prices</p>
Long-distance add-on	MTC or TT extension to an individual long distance route on one or more connecting services	<p>✗ Must not fix prices</p> <p>✓ May use posted prices</p>

* To confirm the category your scheme falls into, please refer to the further details in CMA53con, Parts 3 and 4. It is particularly important to ensure that you do not agree any prices with other operators except to the extent that this is allowed by the block exemption.

If your agreement does not meet the requirements above, it may still qualify for individual exemption.

More information on the block exemption can be found on the CMA's webpages on GOV.UK. For further guidance on the block exemption, readers should consult CMA53con.

These materials are not a substitute for legal advice.

Question on short guide

The purpose of this short guide is to give a quick overview of the block exemption.

1. Do you think the short guide is sufficiently clear and easy to understand? If not please suggest what needs to be changed.
2. Do you consider that this short guide is providing you with an appropriate level of detail?

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