

Public Transport Ticketing Schemes Block Exemption

Call for Inputs

CMA 193con
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Introduction and background

1. The purpose of this Call for Inputs is to seek stakeholder feedback on the Public Transport Ticketing Schemes Block Exemption.¹ Evidence gathered from this Call for Inputs will be used to inform the CMA's decision on whether to recommend that the Secretary of State for Business and Trade should extend the duration of the block exemption, with or without further amendments, or allow the block exemption to lapse on 28 February 2026 (or revoke the block exemption before that date).²

The Chapter I prohibition and exemption

2. The Competition Act 1998 (CA98) prohibits agreements between businesses that restrict competition in the UK (unless they meet the conditions for exemption in section 9(1) of the CA98 or are otherwise excluded).³ This is known as the 'Chapter I prohibition'.
3. There are situations where agreements which restrict competition can be beneficial to consumers. For this reason, the CA98 provides that agreements can be exempted from the Chapter I prohibition if they meet certain conditions relating to the benefits they produce. Broadly, the agreement must contribute to clear efficiencies. Second, consumers must receive a fair share of the resulting benefits. Third, the restrictions on competition that the agreement gives rise to must be no more than the minimum that is necessary to enable consumers to gain these benefits. Fourth, the agreement must not give the parties the possibility of eliminating competition in respect of a substantial part of the products concerned.⁴

¹ [The Competition Act 1998 \(Public Transport Ticketing Schemes Block Exemption\) Order 2001](#), as amended by: [The Public Transport Ticketing Schemes Block Exemption \(Amendment\) Order 2005](#); [The Public Transport Ticketing Schemes Block Exemption \(Amendment\) Order 2011](#); [The Enterprise and Regulatory Reform Act 2013 \(No. 2\) Order 2014](#); and, [The Public Transport Ticketing Schemes Block Exemption \(Amendment\) Order 2016](#).

² The CMA has a role in advising the Secretary of State for Business and Trade on the making of new block exemptions and varying or revoking existing block exemptions; see sections 6 and 8 of the CA98.

³ The Chapter I prohibition is set out at section 2 of the CA98.

⁴ The cumulative conditions in section 9(1) of the CA98 that must be met in full are that the agreement:

- (a) Contributes to:
 - (i) improving production or distribution, or
 - (ii) promoting technical or economic progress,while allowing consumers a fair share of the resulting benefit; and
- (b) does not:

4. Ordinarily, businesses who wish to enter into an anticompetitive agreement must make their own assessment of whether the agreement can be justified based on its benefits. This is referred to as ‘self-assessment.’
5. In certain cases, it may be clear that all agreements in a particular category are likely to be exempt agreements. In these circumstances, a ‘block exemption’ may be made to automatically exempt agreements in that category provided that they satisfy the conditions set out in the block exemption.

Overview of the Public Transport Ticketing Schemes Block Exemption

6. The Public Transport Ticketing Schemes Block Exemption (‘the PTTSBE’) automatically exempts certain types of agreements establishing public transport ticketing schemes (‘ticketing schemes’) from the Chapter I prohibition insofar as they meet certain conditions set out in the PTTSBE. It was introduced on the basis that certain ticketing schemes between public transport operators, which may also include local authorities, were likely to meet the four conditions for exemption from the Chapter I prohibition.
7. Broadly, a ‘ticketing scheme’ is a written agreement between public transport operators, allowing for passengers to purchase tickets that can be used on the services of more than one of the participating operators.⁵ For the purposes of the PTTSBE, a ticketing scheme may include different modes of transport (bus, train, tram, metro, ferry and, in limited circumstances, air).⁶
8. To fall within the scope of the PTTSBE, ticketing schemes must fall into one of five categories of schemes. Further details on the types of ticket falling in each category, including worked examples, are included in the CMA’s

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- (i) impose on the undertakings concerned restrictions which are not indispensable to the attainment of those objectives; or
 - (ii) afford the undertakings concerned the possibility of eliminating competition in respect of a substantial part of the products in question.’

See further the CMA’s [Guidance on the application of the Chapter I prohibition in the Competition Act 1998 to horizontal agreements](#), paragraphs 3.47 – 3.54.

⁵ Article 4(2) of the PTTSBE provides a precise definition of a ‘public transport ticketing scheme’ and with reference to the five categories of schemes discussed in paragraph 9 of this Call for Inputs.

⁶ The PTTSBE applies principally to ticketing schemes for the supply of ‘local public transport services’, which are defined by Article 3 of the PTTSBE as including bus services (except tourist services) and road, railway, tramway and inland waterway services (except long distance, chartered or tourist services). In the case of a long-distance services, the PTTSBE applies to ticketing schemes that allow passengers to purchase an add-on to a ticket for a ‘connecting service’, which includes road, tramway, railway, inland waterway or air services.

guidance on the PTTSBE.⁷ In broad terms, the five types of ticketing schemes are summarised in the following table:

Type of scheme	Description
Through ticket (TT)	A ticket for a single or return journey on more than one operator's services, where the operators do not compete on running services for the same part of the route.
Multi-operator individual ticket (MIC)	A ticket for a single or return journey on more than one operator's services, where the operators offer competing services for the same route.
Multi-operator travel card (MTC)	A ticket which offers multiple journeys (at least three) on different operators' services across a number of different routes which are not substantially the same.
Short-distance add-on	An MTC which is an extension to a journey, where operators do not compete on running services for the same part of the route.
Long-distance add-on	An MTC or TT which is an extension to an individual long-distance journey on one or more connecting services.

9. To benefit from the PTTSBE, public transport operators must implement their agreement in line with the conditions set out in the PTTSBE.⁸ The conditions that a ticketing scheme must satisfy in order to benefit from the PTTSBE differ between each of the categories.⁹ If an agreement meets the conditions of the PTTSBE, it benefits from an automatic exemption.
10. The PTTSBE was first introduced in 2001 and its duration has been extended several times. Most recently, the CMA reviewed the PTTSBE in 2015 and recommended to the then Secretary of State for Business, Innovation and Skills that it should be renewed for a further ten-year period until 28 February

⁷ See the CMA's [The public transport ticketing schemes block exemption: Guidance](#) ('CMA's PTTSBE Guidance'), paragraphs 3.3 – 3.21

⁸ Article 5 of the PTTSBE provides that it has effect subject to the conditions and obligations specified in Articles 6 to 17 (which set out the conditions to qualify for exemption). For further explanation, see Part 4 of the CMA's PTTSBE Guidance.

⁹ Articles 6 to 9 of the PTTSBE set out general conditions that apply to all public transport ticketing schemes and Articles 11 to 16 set out specific conditions that only apply to certain categories of ticketing schemes.

2026.¹⁰ The CMA also recommended the definition of MTCs be simplified and the requirement that tickets be purchased in a single transaction be removed.

11. The Government accepted the CMA's recommendation, and the Secretary of State exercised his powers under CA98 to make an order extending the duration of the PTTSBE to 2026, and making the other amendments to the terms of the PTTSBE recommended by the CMA.

Recent developments

12. Since the PTTSBE's renewal in 2015, the CMA is aware of several developments in local transport markets that may impact the role of the PTTSBE.

England

13. In England, the Bus Services Act 2017 provided Local Transport Authorities (LTAs)¹¹ with new powers to improve local bus services through new types of partnership schemes with operators and franchising schemes.
14. Under franchising schemes, LTAs determine the network of services which are provided and offer contracts for specific routes, parts of the network or the network as a whole. Franchising powers are currently only available to Mayoral Combined Authorities¹² but can be provided to LTAs through secondary legislation.¹³
15. An Enhanced Partnership (EP) is a statutory arrangement in which the LTA can specify, for example, the frequency or timing of certain services and requirements as to the pricing of multi-operator ticketing.¹⁴ EPs are distinct from franchising schemes because services continue to be operated by commercial bus operators, but under requirements to meet the standards set

¹⁰ See [Final report and recommendations to the Secretary of State](#), paragraph 6.1.

¹¹ In England, an LTA is a county council, a council of a non-metropolitan district (comprised in an area for which there is no county council), an Integrated Transport Authority, a combined authority, or a combined county authority established under section 9(1) of the Levelling-up and Regeneration Act 2023. See section 108(4) of the Transport Act 2000.

¹² A 'Mayoral Combined Authority' is a combined authority for which the Secretary of State has made an order providing that there is to be a mayor; see section 107A of Local Democracy, Economic Development and Construction Act 2009.

¹³ Section 123A of the Transport Act 2000.

¹⁴ Section 138C of the Transport Act 2000.

by the LTA. When introducing an EP, LTAs are subject to a bespoke competition test.¹⁵

16. Once an LTA has established an EP, a bus operator must give an undertaking that it will comply with the standards of service set by that EP as a condition for being registered as a provider of local bus services.¹⁶ However, EPs do not exclude the commercial initiative of operators to decide what services to offer. For example, operators remain free to determine how they change their respective timetables to meet a frequency limitation imposed by an EP and how they work with other operators (for instance, through coordinating their timetables) to comply with such a limitation.¹⁷
17. In England, 76 (out of 79) LTAs have made and published EPs, and three LTAs have chosen to implement franchising schemes (Greater Manchester, Liverpool City Region and West Yorkshire).

Scotland

18. In Scotland, the Transport (Scotland) Act 2019 Act introduced powers for LTAs in Scotland to improve the delivery of local bus services in their areas, including Bus Services Improvement Partnerships (BSIPs) and local services franchising.¹⁸
19. Local services franchising involves LTAs in Scotland putting in place an overarching franchising framework under which they can enter into separate franchise agreements with local bus operators. A proposed franchising framework must be approved by a panel convened by the traffic commissioner before an LTA can implement it.¹⁹
20. BSIPs, similar to EPs in England, are a statutory partnership in which LTAs in Scotland can specify a range of standards, such as frequencies on certain routes or maximum fare levels. BSIPs involve LTAs in Scotland formulating a plan (called a 'partnership plan') with the bus operators in their area and then deciding on how best to implement it through supporting schemes

¹⁵ Section 153 of and Schedule 10 to the Transport Act 2000.

¹⁶ The Bus Services Act 2017 amended the Transport Act 1985 to include this condition; see section 6D of the amended Transport Act 1985.

¹⁷ Agreements between operators to meet the standards of an EP are discussed in further detail below at paragraphs 26 to 27.

¹⁸ In Scotland, an LTA is defined as either a council for a local government area or the Strathclyde Passenger Transport Authority. See section 82(1) of the Transport (Scotland) Act 2001.

¹⁹ Section 13J of Transport (Scotland) Act 2001.

(partnership schemes). Where an LTA in Scotland introduces a BSIP, they need to satisfy a bespoke competition test.²⁰

21. LTAs in Scotland have had powers to pursue either franchising or BSIPs since 4 December 2023²¹ with further substantive regulations only recently coming into force.²² Currently, only the Strathclyde Partnership for Transport has indicated that it will pursue franchising and is now consulting on its proposal.²³

Wales

22. In Wales, the Transport Act 2000 allows LTAs in Wales²⁴ to enter into Quality Contracts Schemes (QCSs) which enable them to specify what bus services are provided in an area.²⁵ However, there currently are no QCSs in Wales as the relevant legislative provisions have not been commenced.
23. In March 2020, the Welsh Government introduced the Bus Services (Wales) Bill that would have enabled LTAs in Wales to introduce 'Welsh Partnership Schemes' and 'Welsh Franchising Schemes'.²⁶ The Bill was subsequently withdrawn due to the impact of Covid-19 and EU transition.²⁷ The Welsh Government has since published a white paper that recommends requiring the franchising of bus services across Wales.²⁸ In collaboration with Transport for Wales, the Welsh Government has presented a roadmap report for bus franchising. This report includes a timeline with key milestones to be achieved between 2024 and 2035.²⁹

Northern Ireland

24. The CMA is not currently aware of any developments impacting the role of the PTTSBE in Northern Ireland.

²⁰ Section 37 of the Transport (Scotland) Act 2001.

²¹ See Schedule to [Transport \(Scotland\) Act 2019 \(Commencement No. 7\) Regulations 2023](#).

²² The following regulations came into force on 1 April 2024: [The Bus Services Improvement Partnerships and Local Services Franchises \(Provision of Information\) \(Scotland\) Regulations 2023](#) (enabling LTAs in Scotland to require bus operators to provide certain information in connection with franchising schemes and BSIP) and [The Bus Services Improvement Partnerships \(Objections\) \(Scotland\) Regulations 2024](#) (specifying the process for operators to object to BSIPs and franchising schemes).

²³ See [SPT partnership approves options for bus reform](#).

²⁴ In Wales, an LTA is defined as a county council or county borough council in Wales. See section 108(4) of the Transport Act 2000.

²⁵ Sections 124 to 134B of the Transport Act 2000 have only been partially commenced.

²⁶ For further detail of the Bill, see [Bus Services \(Wales\) Bill](#).

²⁷ See [Withdrawal of Bus Services \(Wales\) Bill](#).

²⁸ See [One network, one timetable, one ticket: planning buses as a public service for Wales](#).

²⁹ [Bus reform for Wales: our roadmap to franchising | GOV.WALES](#).

Recent developments and the PTTSBE

25. Under franchising schemes, the bus route, services, timetables and frequencies, as well as any service quality standards will be determined entirely by the franchising authority. Once a scheme has been introduced, no other operators can run bus services within the area unless the authority has given its approval.³⁰ Where bus services are organised by LTAs through franchise schemes, there may be less scope for operators to enter into agreements with one another to establish ticketing schemes, as ticketing would be centrally organised by the LTA.
26. The outcomes required by an EP or BSIP may mean that local bus operators need to enter into an agreement in order to deliver those outcomes. For example, two or three operators on a route may need to coordinate timetables to achieve the route frequency required by the EP or BSIP. For these agreements, where they are certified by LTAs as contributing to the improvement of bus service provision, the Chapter I prohibition is disapplied, and replaced by a separate prohibition.³¹
27. The operation of EPs or BSIPs, and the disapplication of the Chapter I prohibition for certain agreements between undertakings under EPs and BSIPs, may affect the extent to which the PTTSBE continues to be relied upon. This is an issue on which we are seeking feedback from operators in the questions set out below

This Call for Inputs

28. The CMA is reviewing the PTTSBE to inform its recommendation to the Secretary of State on whether its duration should be extended (with or without further amendments), or whether it should be allowed to lapse on its expiry date (or be revoked before its expiry).
29. The review will take account of the interests of consumers and businesses, as well as considering the impact of recent developments in technology and industry business models.
30. Stakeholders are encouraged to provide feedback in response to the questions set out in this Call for Inputs with a specific focus on the operation and application of the PTTSBE. Our questions have been grouped into four

³⁰ Section 123A(5) of the Transport Act 2000; 13A(4) of the Transport (Scotland) Act 2001.

³¹ For EPs, see Part 2 of Schedule 10 to the Bus Services Act 2017; for BSIPs, see Chapter 2 of the Transport (Scotland) Act 2019 (Consequential Provisions and Modifications) Order 2023.

sections and, for each section, we have included a brief introduction to our rationale for the questions.

31. The CMA will consider the responses to the questions included in this Call for Inputs to reach a view on how best to address the underlying substantive issues. The evidence gathered through this Call for Inputs may be used to inform the Department for Business and Trade's preparation of an analytical appraisal and evaluation of the PTTSE, in line with Better Regulation Framework principles.
32. Appendix A also includes information on how the CMA may use information provided to it during the course of this project.

Questions for stakeholders

Stakeholder information

We would like to understand the types of stakeholders responding to this Call for Inputs, and the types of business which use the PTTSBE.

1. Please confirm the capacity in which you are responding to this Call for Inputs.
 - (a) If you are responding as a business:
 - (i) Please confirm which industry (or industries) you operate in, including (if applicable) the type of any transport service that you supply. If you supply more than one type of transport service, please list each of these.
 - (ii) Please indicate in which nation (or nations) of the UK you operate (England, Scotland, Wales or Northern Ireland).
 - (iii) Please indicate whether you are a small (<50 employees), or medium (50 to 249 employees) or large (250+ employees) business (and if the latter, give a broad indication of the number of employees you employ).
 - (b) If you are submitting a response to this Call for Inputs as an adviser or other third party, please confirm which industry (or industries) you consider are particularly relevant to this Call for Inputs.
2. Whether you are making a submission as a business in industry, an advisor, or otherwise, please provide any observations you have on the size of business that, in your experience, typically makes use of the PTTSBE.

Reliance on the PTTSBE

We would like to understand the extent to which the PTTSBE is relied upon, and the value of the PTTSBE for the businesses which rely on it.

In particular, Local Transport Authorities (LTAs) now have greater involvement in the organisation of bus services compared to when the CMA completed its previous review in 2015. We would like to understand the impact of these changes on reliance placed on the PTTSBE by operators, including the extent to which they may have made the PTTSBE redundant.

3. Have you entered into or are you aware of a public transport operator entering into ticketing schemes which have benefitted from the PTTSBE? If so:
 - (a) Do the ticketing schemes cover a single mode of transport or multiple modes of transport. If possible, please provide examples.
 - (b) If there were no PTTSBE, and the operators involved needed to carry out a self-assessment of the application of the Chapter I prohibition to ticketing schemes, to what extent would they be discouraged from entering into such ticketing schemes?
 - (c) Please provide estimates for any additional costs operators would incur, in the absence of the PTTSBE, to carry out the relevant competition law self-assessment. If it is not possible to provide a quantified estimate of additional costs, please estimate the cost in terms of time and/or estimate the increased complexity of carrying out the relevant competition law self-assessment (including, for example, whether external advice might be needed).
4. Have developments since 2015 in the involvement of LTAs affected the extent to which transport operators rely on the PTTSBE? If so:
 - (a) Which development has affected transport operators' reliance on the PTTSBE (for example, implementation of an EP in England by an LTA)? Please specify where the development has taken place (England, Scotland, Wales or Northern Ireland).
 - (b) Has transport operators' reliance on the PTTSBE been affected in relation to modes of transport, other than buses?
5. Do you anticipate that any other developments will affect transport operators' reliance on the PTTSBE in the coming years (for example, the introduction of new powers to LTAs in Scotland)? If so, please specify where the further development will take place (England, Scotland, Wales or Northern Ireland), what types of transport or what categories of ticketing schemes they may

affect and when transport operators' reliance on the PTTSBE is expected to be affected.

6. Does the PTTSBE continue to have a role? If so, please explain the role the PTTSBE continues to serve and, if possible, how long you think it will continue to have this role.
7. If, in response to question 6, you have specified that you do not think the PTTSBE continues to have a role, please explain whether this is for all modes of transport to which it applies. If the PTTSBE remains relevant for some modes of transport, please specify these.

Ticketing schemes: Benefits and impact on competition

In the CMA's previous review of the PTTSBE in 2015, it concluded that ticketing schemes covered by the PTTSBE gave rise to efficiency gains, and that consumers received a fair share of the benefits generated by these efficiencies.

The following questions seek views on whether ticketing schemes covered by the PTTSBE continue to produce benefits outweighing their potential harmful effects on competition

8. What are the main benefits for consumers (if any) of ticketing schemes covered by the PTTSBE? If possible, please provide examples.
9. To what extent do ticketing schemes covered by the PTTSBE restrict competition? For example, a ticketing scheme covered by the PTTSBE could lower operators' incentives to compete with the same intensity for passengers to use their services, whether in terms of price or quality of service. Please provide examples in your response.
10. If you consider that ticketing schemes restrict competition, to what extent:
 - (a) Do any benefits identified in response to question 8 compensate consumers for any such restriction of competition?
 - (b) Are these restrictions necessary in order to achieve any benefits identified in response to question 8?

Improvements to the PTTSBE

In previous reviews of the PTTSBE, changes have been introduced to improve the PTTSBE, including to ensure it remains relevant to current technology and business practice.

We would like to understand if there are changes to the PTTSBE which could improve its effectiveness, including to reflect any technological or business changes since the CMA's last review in 2015.

Definition of 'public transport ticketing scheme'

11. In relation to the definition of 'public transport ticketing scheme' in Article 4 of the PTTSBE:
- (c) Is this sufficiently clear to allow you to identify the categories of ticketing schemes that can benefit from the PTTSBE? If not, how should the definition, in your view, be clarified or amended? Please provide reasons for your answers.
 - (d) Are there any other categories of ticketing schemes that are not already covered by the PTTSBE which, in your view, would be likely to meet the requirements for exemption from the Chapter I prohibition under section 9 of the CA98? If so, please describe these categories of ticketing schemes and explain why you consider that they would be likely to meet the requirements for exemption.

Conditions for categories of ticketing schemes

12. In relation to the conditions in Articles 6 to 16 of the PTTSBE (as applicable) that a ticketing scheme must satisfy in order to benefit from the PTTSBE:
- (a) Are the current conditions sufficiently clear?
 - (b) Would any of the current conditions benefit from modification?
 - (c) Are there any further conditions that it would be appropriate to include, in addition to those already included in the PTTSBE?
 - (d) Are there any conditions that it would be appropriate to remove from the PTTSBE?

Developments in technology and products

13. Article 3 of the PTTSBE defines 'ticket' as 'evidence of a contractual right to travel'. Have there been any developments in ticketing technology or products that would require a change to this definition? Please explain and, if possible, provide examples.
14. Aside from any issues covered in your response to question 13, have there been any other developments in transport technology and products that might affect the PTTSBE and might require, in your view, a change in its terms? Please explain and, if possible, provide examples.
15. Are there new forms of technology or new modes of public transport (e.g. public bicycle or e-scooter hire schemes) which it would be beneficial to include in integrated ticketing schemes, but which are not currently in scope of the PTTSBE? If so, would it bring benefits to amend the PTTSBE to include these new forms of technology or modes of public transport?

Other considerations

16. Are there, in your view, any other considerations that the CMA should consider? For example, are there variations to the scope of the PTTSBE that you consider would be appropriate that have not been considered in this Call for Inputs? Please provide any relevant evidence that you have to support your views.

Appendix A: Use of information provided to the CMA

1. This Appendix sets out how the CMA may use information provided to it during the course of this project.

Why is the CMA asking for information?

2. The information you provide will help us to inform the CMA's review of the PTTSBE.

Compliance with government consultation principles

3. In preparing this consultation document, the CMA has taken into account the published government consultation principles, which set out the principles that government departments and other public bodies should adopt when consulting with stakeholders.

Statement about how we use information and personal data that is supplied in consultation responses

4. In accordance with our policy of openness and transparency, we will publish non-confidential versions of responses on our webpages. If your response contains any information that you regard as sensitive and that you would not wish to be published, please provide at the same time a non-confidential version for publication on our webpages which omits that material and which explains why you regard it as sensitive. When submitting your response please also let us know if you wish to remain anonymous.
5. The responses to the present Call for Inputs may also be shared with the Department for Business and Trade and other relevant Government departments in order to facilitate consideration of the CMA's recommendation.
6. Any personal data you provide to the CMA will be handled in accordance with our obligations under the UK General Data Protection Regulation and the Data Protection Act 2018 and other law designed to protect sensitive information. Our [personal information charter](#) set out the standards you can expect from us when we collect, use, or share personal data and provides details of your rights in relation to that personal data and how to contact us.
7. 'Personal data' is information that relates to an identified or identifiable living individual. We are processing this personal data for the purposes of our work. This processing is necessary for the performance of our functions and is carried out in the public interest, in order to take responses into account

and to ensure that we properly consult on matters relevant to the advice requested by the Secretary of State before it is finalised.

8. We may only publish or share with others information that you provide to us in specific circumstances set out in legislation (principally Part 9 of the Enterprise Act 2002). In particular, prior to publication or any such disclosure, we must have regard to (among other considerations) the need for excluding, so far as is practicable: (a) any information relating to the private affairs of an individual which might significantly harm the individual's interests; or (b) any commercial information which, if published or shared, we think might significantly harm the legitimate business interests of the undertaking to which it relates. If you consider that your response contains such information, please identify the relevant information, mark it as 'confidential' and explain why you consider that it is confidential.
9. Please note that information provided in response to this consultation may be the subject of requests by members of the public under the Freedom of Information Act 2000. In responding to such requests, we will take fully into consideration representations made by you in support of confidentiality. We will also be mindful of our responsibilities under the data protection legislation referred to above and under Part 9 of the Enterprise Act 2002.