

Stakeholder information

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.

Bus and coach services. Our sister company First Rail provides passenger rail services.

(ii) Please indicate in which nation (or nations) of the UK you operate (England, Scotland, Wales or Northern Ireland).

England Scotland Wales and 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).

Large – over 12800 employees

(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.

n/a

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.

Bus operators of all sizes make use of the PTTSBE.

Reliance on the PTTSBE

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

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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.

We have many bus only PTTSBE compliant schemes including those in Cornwall, Norfolk, Suffolk, Leicester, Hampshire, Portsmouth, Glasgow, Aberdeen, and the following combined authorities: the West of England, West Yorkshire, South Yorkshire. Of the above, many also include rail and/or light rail including West Yorkshire, South Yorkshire, Cornwall and the West of England.

We participate in (and in many cases manage) +BUS schemes which are multi-operator bus add on tickets to rail journeys, in England Scotland and Wales.

(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?

We believe that many operators would be deterred from engagement in such schemes to avoid any concern that they might inadvertently breach competition law. Others would seek advice from industry trade associations or other operators in the industry, or seek independent legal advice. We believe that the PTTSBE provides a clear and helpful guide to operators that facilitates the development of multi operator ticketing (with all its corresponding customer and stakeholder benefits) and avoids the additional risk, cost and complication that would arise without it.

(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).

It is very difficult to quantify the cost of such work but to provide operators with sufficient confidence that there was no potential breach of competition law, each such scheme would need to be assessed individually. Each participating operator would need to be satisfied (individually) of the outcome of this assessment which would require each to undertake their own assessment. The assessment would be dependent on the scale and nature of the scheme – for instance a large scheme in a Combined Authority area might require many months of input (during which it may be considered necessary to suspend the scheme, depriving customers of its benefits) and independent legal advice. There may also be a hidden cost to customers, namely that potential schemes would not go ahead due to the costs of obtaining external advice and/or the lack of legal certainty for operators.

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).

None – the PTTSBE is in place to prevent ticketing agreements between operators being deemed to be anti-competitive agreements, provided they meet its terms. No legislation or policy implementation removes that risk to operators.

(b) Has transport operators' reliance on the PTTSBE been affected in relation to modes of transport, other than buses?

No. We have always considered, and continue to consider, that any bus/rail ticketing requires agreement between one or more bus undertakings and one or more rail or light rail undertakings thereby putting it within the scope of the PTTSBE (other than where these are all in common ownership).

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.

No. The PTTSBE is in place to prevent ticketing agreements between operators being deemed to be anti-competitive agreements, provided they meet its terms. No legislation or policy implementation removes that risk to operators, with the exception of Bus Franchising where the franchised operators are contractors to the franchising authority and therefore any multi operator bus ticketing within that franchise area will become de-facto single operator ticketing. But multi modal ticketing in the franchise area between bus and rail will still fall within the ambit of the PTTSBE, as will any joint ticketing which allows passengers to make journeys on franchised bus services and those which operate into the franchised area under local service permits, or to cross the franchise area boundary and use bus services both within and outside that boundary. Schemes such as PlusBus which permit cross boundary travel will also continue to require the PTTSBE.

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.

Yes for the reasons set out in response to questions 4 and 5 above and we believe this will be a requirement in perpetuity unless there is fundamental reform of competition law. The only possible exception to this would be if all transport services were to be nationalised (bus, rail, light rail, ferry, air) and competition of any form made illegal.

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.

N/a

Ticketing schemes: Benefits and impact on competition

8. What are the main benefits for consumers (if any) of ticketing schemes covered by the PTTSBE? If possible, please provide examples.

Consumers can buy one ticket which covers all the journeys they wish to make during the validity of that ticket. For instance if they live where there are several bus operators offering travel opportunities to their nearest central node, they can travel on the first bus that turns up without having to pay an additional fare. Or if they are looking to make a public transport journey they can use the same ticket to travel from home to the train station, on the train and then to catch a bus to their final destination, without having to go through three ticket purchase exercises and at an (often considerable) cost saving. This encourages public transport use and helps reduce congestion with benefits for the environment, the economy and for society – as well as reducing greenhouse gas emissions. Consumer benefits can be summarised as time savings, financial savings, convenience and simplicity.

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.

We do not believe that the PTTSBE restricts competition. Where there is a choice of operator, this will not only be on the basis of the ticket available. Proximity of the service to the traveller's origin

and destination, frequency of service, journey time and comfort all play a part in this choice too. Operators remain obliged to offer their own single fares for such journeys and competition law prohibits them agreeing that price.

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?

We do not believe that the PTTSBE restricts competition. However, we note for completeness that the Department for Transport's policies for Bus Service Improvement Plans encourage local authorities to implement multi operator ticketing schemes. Chapter 4 of the Department for Transport's National Bus Strategy document "Bus Back Better" of 2021 states: "We want to see multi-operator ticketing everywhere, covering all bus services at a price little if at all higher than single-operator tickets". That can have the effect of eliminating operators own period (day or week) tickets which is considered by many local authorities as a benefit as it simplifies the ticketing offer available to the public, but it does not eliminate price competition as the operators remain obliged to offer their own, independently set, single fares.

(b) Are these restrictions necessary in order to achieve any benefits identified in response to question 8?

N/a

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

Improvements to the PTTSBE

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.

Yes we believe this is sufficiently clear.

(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.

Yes there is one ticket category which is effectively precluded by the PTTSBE as currently drafted – in practice, given the scope of the PTTSBE and the experience of the operators making use of its provisions, a simple application of the principles of the Competition Act 1998 in terms of any restrictions on competition and benefits to customers will enable a rapid decision on whether such examples are likely or not to be deemed anti-competitive but it would be beneficial to have a specific definition – or amendment to the existing definition – to explicitly allow such tickets to fall within the PTTSBE. The missing category is for a combination of "trunk" bus travel with a zonal bus add on,

something that the “short distance add-on” definition does not permit, where adding such a product to most rail journeys is permitted under a “long distance add-on”.

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?

Yes

(b) Would any of the current conditions benefit from modification?

As written, it is prohibited under a long distance add on deployed to provide zonal bus travel at the end of a rail journey, to allow that rail journey to have its origin within the bus add-on zone. This can make “PlusBus” products covering large areas a difficult customer proposition, as rail travel from outside the zone boundary gives the passenger the benefit of the zonal bus travel, but rail travel from a point inside that boundary does not. A modification to address that point would be beneficial.

(c) Are there any further conditions that it would be appropriate to include, in addition to those already included in the PTTsBE?

No

(d) Are there any conditions that it would be appropriate to remove from the PTTsBE?

No – other than as set out in our response to question 13 below.

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.

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.

Many bus operators (and this is now beginning to be adopted by rail too) accept contactless bank card payment for travel where the cost is calculated over a day or a week and billed to the customer at the end of that travel period, effectively giving the customer the benefit of having purchased a day or week travel product before they commenced their first journey. Project Coral has been developed as a concept by bus operators to meet the Department for Transport’s aspiration to provide a multi operator contactless bank card ticketing option of this type. A technical architecture employing a “broker system” is required, because of the financial regulations preventing the exchange of bank card details between participating operators’ ticketing and payment collection systems. Pilot applications are live in Leicester and Cornwall, and it is expected that the first deployment of this will take place in the West Midlands during 2025. All these are covered by existing PTTsBE compliant ticketing agreements, modified to include contactless payment, as the participating operators consider that the contactless bank card technology is an additional payment mechanism to purchase the same multi operator products as are already defined in those agreements. It would be beneficial

to amend the definition of the “ticket” to explicitly refer to the use of a contactless bank card to purchase the multi operator product in this way.

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.

No

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?

We do not believe that the PTTSBE needs to be modified to cover such other modes or technologies. They are not public transport modes but personal travel modes which do not come within the scope of the relevant aspects of competition law. Public transport operators can act as resellers of rental agreements for such modes which are also not “tickets” in the public transport sense but the equivalent of contracts such as those entered into by individuals hiring a car, for instance.

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.

No, although extension for a period of longer than 5 years will provide greater certainty for the bus industry.