



Public Transport Ticketing Schemes Block Exemption

ORR's response to the CMA's Call for Inputs

23 May 2024



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Introduction and the purpose of this submission

1. The Office of Rail and Road (**'ORR'**) is the independent economic and safety regulator for the railways in Great Britain (**'GB'**), and the monitor of performance and efficiency for England's motorways and trunk roads. ORR is also a designated national competition authority, with powers held concurrently with the CMA to apply competition law in markets relating to the supply of services relating to railways.
2. ORR welcomes the opportunity to provide input on the Public Transport Ticketing Schemes Block Exemption (**'PTTSBE'**). As the independent regulator of the railway sector and monitor of Highways England, ORR is committed to promoting a safe, efficient, and effective transport system across the UK. We strongly support the continuation of the PTTSBE, given its significant benefits to consumers and its role in facilitating integrated and efficient public transport services.

Our response to the call for inputs

Reliance on the PTTSBE

3. The PTTSBE has been instrumental in enabling the creation and maintenance of integrated ticketing schemes that enhance the convenience and accessibility of public transport for passengers. These schemes include through tickets, multi-operator individual tickets, multi-operator travel cards, and add-on tickets, which are essential for seamless travel across different modes and operators.
4. The reliance on the PTTSBE is evident from the widespread adoption of these ticketing schemes across various regions in the UK. The exemption simplifies the legal framework for public transport operators, allowing them to collaborate on ticketing schemes without the burden of conducting complex self-assessments for compliance with the Chapter I prohibition under the Competition Act 1998. This has encouraged greater cooperation among operators, leading to more comprehensive and user-friendly ticketing options for passengers.

ORR's views

5. We consider that the PTTSBE continues to offer economic benefits to consumers by facilitating a more integrated transport network, particularly in local markets and, in particular, to short distance add-ons such as 'plus bus' tickets for local transport at the end of rail journeys. The conditions applied to all types of specified arrangements under the PTTSBE appear to properly protect the competitive process from being harmed as a result of the scheme as a whole. We are uncertain whether these benefits would persist without the PTTSBE.
6. Our understanding is that outside of local integrated transport schemes, the rail industry has limited reliance on the PTTSBE. In rail, industry-wide rail agreements are generally made in accordance with a licence obligation, which creates a legal requirement. Such agreements are exempt from the Chapter I and Chapter II prohibitions as long as they are made to comply with that legal requirement. For example, compliance with the conditions in a passenger train operators' licence requires participation in the 'Ticketing and Settlement Agreement' ('TSA'). The TSA contains conditions which require the provision of through-ticketing and network benefits.

7. The exemption has proven to be an important tool in promoting integrated ticketing schemes that deliver benefits to consumers, enhance public transport efficiency, and support broader policy objectives such as reducing congestion and environmental sustainability. We therefore recommend that the CMA advise the Secretary of State for Business and Trade to extend the duration of the PTTSBE beyond its current expiry date, ensuring that it remains an effective and relevant instrument in the evolving transport landscape.

Next steps

8. We hope this submission will assist the CMA in its understanding and assessment of the block exemption and we are happy to discuss any aspects of this submission with the case team as needed.
9. We do not consider any part of this submission to be confidential.



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