

RDG response to the CMA's review of Public Transport Ticketing Schemes Block Exemption ('PTTSBE')

About RDG

Rail Delivery Group is a membership organisation that works on behalf of the rail industry to create a simpler, better railway for all customers.

RDG supports the growth of the industry, running national marketing campaigns to promote the use of rail, but it also raises revenue directly through the sale of railcards. RDG is always looking for opportunities to make improvements to how rail operates that will bring benefits to customers.

RDG's role is to bring the industry together on important issues that need a joined-up response, such as tackling sexual harassment on trains.

RDG works with Department for Transport and Great British Railway Transition Team to deliver change in areas such as Fares, Ticketing and Retail programme.

RDG members are the train operating companies that make up the rail industry across Britain.

RDG response to CMA questions

Background to submission (Q1-2)

The CMA is reviewing the Public Transport Ticketing Schemes Block Exemption Order to inform its recommendation to government on whether to replace or vary it when it expires on 28 February 2026

RDG are responding to this Call for Inputs in relation to our role as the enabler of joint and through fares and ticketing in the rail industry in Great Britain (England, Wales and Scotland). This involves passenger rail services and through ticketing that can include travel on bus service, ferries, metro links etc.

RDG itself is a medium size organisation but represents the National Rail operation.

The Owing Groups that operate the individual rail contracts (the 'TOCs' or Train Operating Companies) which make use of the PTTSBE are generally large transport undertakings and they will utilise the PTTSBE not just for their rail businesses but also for their bus and other transport contracts. We expect that they will be responding in their own capacity to the Call for Inputs and this

response is an overarching one in relation to its relevance to passenger rail operations.

Reliance on the PTTSBE (Q3-7)

The creation and maintenance of rail-only through and interavailable ticketing is provided for by means of the Ticketing and Settlement Agreement, which is a binding contractual agreement that TOCs are required to enter into as part of their Rail Contracts. The PTTSBE has however been used where this rail ticketing is extended to cover multi-modal through, and zonal, ticketing schemes.

Appendix 1 (*Uses of PTTSBE in relation to multi-modal ticketing with rail in Great Britain*) highlights the value of several schemes and provides a high-level summary of some of the other schemes that were enabled because of the PTTSBE Schemes.

Without the PTTSBE it is unlikely that these schemes would come to fruition as the effort and risk of navigating them through the self-assessment process in relation to the Chapter I would outweigh their commercial benefit. The PTTSBE allows ticketing schemes that benefit customers to exist at marginal cost and with minimal effort to TOCs and this would be lost were the exemption to be removed.

The additional costs and risks were the PTTSBE not to exist would likely result in withdrawal from any such arrangements which would be detrimental to customers.

Whilst there have been changes since 2015 that create alternative processes for multi-operator schemes, these are geographically based and do not exhaustively replicate the simplicity of the PTTSBE. Until and unless there is a comprehensive overhaul of the statutes and regulations by which rail and through-ticketing is enabled, we consider that it would be unwise to rely on any alternative mechanism to underpin the variety of multi-modal schemes that include rail. Furthermore, it would put in jeopardy arrangements that overwhelmingly benefit passengers and that can currently be managed efficiently and effectively under the PTTSBE, as well as harming future initiatives; for example, the development of the West Midlands 'Swift' smartcard onto Rail in the West Midlands (which is a DfT commitment as part of the 'West Midlands Combined Authority: Trailblazer deeper devolution deal' and which will involve a number of Train Operating Companies).

Ticketing schemes: Benefits and impact on competition (Q8-10)

The main benefits for consumers of ticketing schemes covered by the PTTSBE are the ability to purchase and make use of multi-modal ticketing that provides them with an end-to-end public transport option. In this regard, rather than limiting competition, these schemes allow public transport to compete more effectively with the car, and in doing so allow local, regional and national sustainability targets to be achieved.

Rail services are already highly regulated and prescribed by public authorities even when delivered through private sector partners (both in terms of services levels and fares), so there is no suppression effect at all on the provision of services as a result of the PTTSBE.

From a consumer perspective in relation to rail travel, the PTTSBE provides a mechanism to enhance and leverage the public transport service offering without any negative consequences.

Improvements to the PTTSBE (Q11-15)

In general, based on feedback from our members the PTTSBE remains sufficiently clear to allow the identification of categories of ticketing schemes that can benefit from it.

However, 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, we consider based on feedback that these are adequate. We do not wish to see anything removed.

As for developments in ticketing technology and products, although the physical concept of the ticket has changed over time, the terms and conditions that accompany their use has continued to make clear what constitutes the 'ticket' as both the token of entry and the evidence of entitlement to travel. For this reason, we do not consider that the definition of entitlement in the PTTSBE needs to be changed.

The other development in transport technology and products that might in future affect the PTTSBE and might require at least a clarification is the provision of 'Mobility-as-a-Service' (MAAS) schemes. MAAS is a concept that has been used in several locations abroad where the public are able to subscribe to the use of public transport within a specified area and are charged a periodic sum which does not have to precisely reflect the use of individual services. It is designed around allowing the transport infrastructure to function as a virtual 'car', replacing

marginal payments with a known fixed access price that is likely to reduce/eliminate car mileage and stimulate public transport use.

We are neutral on the inclusion of new modes of public transport (e.g. public bicycle or e-scooter hire schemes) within scope of the PTTSBE. Whilst there are no pressing requirements for this to be the case, it could potentially open up future avenues of rail onward travel from a ticketing/payment perspective.

Q16 – For context, we have added the ATOC response to the 2015 CMA consultation as Appendix 2. ATOC was the forerunner to RDG. We do not have anything further to add beyond this.

APPENDIX 1: Uses of PTTsBE in relation to multi-modal ticketing with rail in Great Britain

1) Key industry metrics for PlusBus and London through ticketing

Scheme	Journeys (m)	Sales Revenue (£m)	Revenue retained by TOCs (£m)	Notes
NATIONAL				
PlusBus	0.24 PlusBus tkts issued	1.0 (bus value)	0.0	
LONDON				
Travelcard Agreement. Covers: Off-peak one-day, Season and Family Travelcards, Discount Travelcards, 16/17 year old Travelcards, GroupSave, Railcard discounts on Travelcards AND (Ex) Sundry Travelcard Agreement. Covers Anytime day Travelcards.	63.9	223.9	172.8	A 'legal requirement' mandated through rail contracts
PAYG	143.8	258.0	258.0	Either mandated through rail contracts or a specific Direction from the DfT to each TOC to participate on the basis of public interest. Agreement is between TfL and TOCs for acceptance on TOC rail services. TOC Scheme in place for collective management including setting of rail only and joint fares
CPAY	400.1	1030.9	1030.9	A 'legal requirement' mandated through rail contracts (incl. as amended) or otherwise directed by the DfT. Agreement is supplemental to PAYG under which the fares are set (i.e. no fares setting takes place under the auspices of this agreement)
Through Ticketing (non-Travelcard) Agreement Covers non-TC fares to/from LUL stations and cross-London segment of National Rail through tickets via London. AND Zonal Fares	21.1	127.0	60.2	A 'legal requirement' mandated through rail contracts

2) Examples of other schemes involving rail that make use of the PTTSBE

- i. **c2c - Benfleet Plus Bus Scheme**; c2c have through ticketing in place, but also worked with First Bus to enable through ticketing on ITSO smartcard, providing the benefit to customers of having their whole journey on a digital ticket from Canvey Island to wherever on c2c via Benfleet.
- ii. **The West Midlands 'nNetwork' Multi Modal scheme** is governed through the Centrocard Operators Group (COG) meeting. West Midlands Trains (WMT) is the rail representative on COG and the 4 other TOCs who receive a share of this multi modal revenue are not participants. The PTTSBE enables WMT to consult with other TOCs and discuss the pricing of this product.
- iii. **Transport for Wales 'SailRail'** – enabling joint 'through ticketing' between UK rail and Irish rail stations
- iv. **Transport for Wales TrawsCymru integration** – enabling joint 'through ticketing' between rail and the TrawsCymru bus network in Wales (connecting additional communities to the rail network that would otherwise not be served)

APPENDIX 2

**ATOC response to the previous Consultation on extending the PTTSE in
2015 (attached separately)**

APPENDIX 3
Questions for stakeholders as referred to in the text

Stakeholder information

1. Please confirm the capacity in which you are responding to this Call for Inputs.
 - (1) If you are responding as a business:
 - (1) 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.
 - (2) Please indicate in which nation (or nations) of the UK you operate (England, Scotland, Wales or Northern Ireland).
 - (3) 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).
 - (2) 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

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:
 - (1) Do the ticketing schemes cover a single mode of transport or multiple modes of transport. If possible, please provide examples.
 - (2) 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?
- (3) 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:
 - (1) 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).
 - (2) 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

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:
 - (1) Do any benefits identified in response to question 8 compensate consumers for any such restriction of competition?
 - (2) Are these restrictions necessary in order to achieve any benefits identified in response to question 8?

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:
 - (1) 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.
 - (2) 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:
- (1) Are the current conditions sufficiently clear?
 - (2) Would any of the current conditions benefit from modification?
 - (3) Are there any further conditions that it would be appropriate to include, in addition to those already included in the PTTSBE?
 - (4) 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.