

Consultation on Draft Guidance on the Public Transport Ticketing Schemes Block Exemption

Competition and Markets Authority

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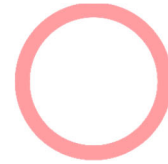
Trainline's response to the Competition and Markets Authority's (CMA) consultation on the draft guidance on the Public Transport Ticketing Schemes Block Exemption Order 2001 (PTTSBE) (Draft Guidance)

Overview

1. Trainline is grateful for the opportunity to comment on the Draft Guidance and is responding to Question 4 of the CMA's consultation on the Draft Guidance.
2. Trainline welcomes the new subsection on third party retailers (**TPR**) in the Draft Guidance and the acknowledgement of the important role TPRs play in bringing significant value and innovation to the retail market.
3. However, Trainline remains concerned that implementation by Train Operating Companies (**TOC**) of PTTSBE multi-zonal schemes is infringing of Chapter II of the Competition Act 1998 and that the PTTSBE, as it stands, risks being instrumentalised to entrench this behaviour. This concern was set out in Trainline's response to: (i) the CMA's review of the PTTSBE dated 25 October 2024; and (ii) the Department for Business and Trade's consultation on the draft legislative amendment to the PTTSBE, dated 23 August 2025.

Recommendations

4. There is a clear opportunity to use the Draft Guidance to remove any ambiguity in TPR access to current and future ticketing schemes, as UK rail continues to proceed through a period of reform. Given the barriers that already prevent TPR access to current ticketing schemes, the Draft Guidance must go further and state unequivocally that ticketing schemes cannot, directly or indirectly, exclude third-party retailers, that any such conduct would prevent such schemes from relying on the PTTSBE and that such conduct, in principle and subject to a detailed assessment, could represent an infringement of competition law. Trainline therefore strongly urges that paragraph 4.58 of the Draft Guidance is amended to make clear that:
 - a. if a ticketing scheme did, directly or indirectly, intend to exclude or inadvertently exclude TPRs, the scheme will not be considered to meet the conditions set out in section 9(1) PTTSBE;
 - b. there does not need to be an explicit contractual restriction or exclusion preventing TPRs from participating in the ticketing scheme for there to be a competition law concern. Instead, any



conduct that restricts TPRs' access to these schemes without objective justification (including, for example, introducing artificial technical barriers such as mandating access to ticketing schemes only via ITSO without providing an equivalent technical option for TPRs; and introducing ticketing schemes on a 'trial' basis to justify withholding access to TPRs) could also be deemed to be a breach of competition law; and

- c. PTTSBE scheme participants must consider all behaviour when assessing a PTTSBE scheme's compliance with the Competition Act 1998, including the Chapter II prohibition as well as the Chapter I prohibition. Specifically, this should include any conduct that self-preferences a scheme participant's own distribution channels over those of third parties (without objective justification) or engaging in margin squeezing. The Draft Guidance should make clear that the PTTSBE safe harbour from Chapter I is not intended to provide blanket-exemption from Chapter II.

These are referred to as the **Recommendations**.

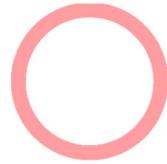
Reasoning for the Recommendations

5. Trainline is a TPR licensed by Rail Delivery Group (**RDG**) to retail rail tickets to members of the public.
6. As a TPR, Trainline's dealings with TOCs typically fall outside the scope of the PTTSBE. Indeed, the TOCs', and therefore Trainline's, retail of standard rail-only tickets is governed by the Ticketing and Settlement Agreement and so does not rely on the PTTSBE.
7. However, the TOCs do rely on the PTTSBE for multi-modal (e.g., rail-bus, rail-ferry) and multi-zonal (e.g., rail-Transport for London (**TfL**)) through ticketing schemes.¹ These include the Travelcard Agreement Scheme, the PAYG Scheme with TfL, the CPAY scheme, and the Through Ticketing Agreement.² As the RDG's response to the CMA's PTTSBE Call for Inputs makes clear, it is unlikely that some of these through ticketing schemes would have come to fruition without the PTTSBE.³
8. The PTTSBE provides the TOCs and their commercial partners for these ticketing schemes a means of concluding a scheme without incurring the costs typically associated with a self-assessment under Chapter I of the Competition Act 1998, provided their ticketing scheme falls into a specified type and meets the conditions in the PTTSBE. Trainline believes this is a laudable objective and understands the need to reduce costs for small operators in particular. Trainline considers that the PTTSBE brings material benefits to consumers who travel using more than one operator or mode of public transport.
9. Trainline notes that paragraph 4.58 of the Draft Guidance states that no evidence was received of schemes designed to exclude third-party or other retail channels. While Trainline has not had sight of all documentation underpinning PTTSBE rail retail schemes and therefore cannot confirm whether the statement at paragraph 4.58 of the Draft Guidance accurately reflects the contractual reality of those schemes, it is Trainline's practical market experience that it, along with other TPRs, continue to be

¹ See Rail Delivery Group response to the CMA's review of the PTTSBE, Appendix 1 (accessible [here](#)).

² *Ibid.*

³ *Ibid.*, p.2.



excluded from all multi-operator zonal schemes. As an illustration, Trainline and other TPRs are excluded from:

- a. Bristol and Cornwall (operated by GWR, in conjunction with CrossCountry);
- b. Cardiff metro area (by Transport for Wales, in conjunction with CrossCountry); and
- c. further schemes planned for launch in 2025 in Greater Manchester and the West Midlands.

(For completeness, there are further PAYG ticketing schemes operated by ScotRail in Scotland as well as Merseyrail in Liverpool, which Trainline and TPRs are also excluded from.)

10. This exclusion of TPRs weakens competition in the rail retail market resulting in significant consumer harm and lack of choice. This trend is only increasing: in the 11 months since Trainline's response to the CMA's consultation on updates to the PTTSBE, both the number and geographic scope of multi-operator zonal schemes has increased, further exacerbating the scale of infringement of Chapter II of the Competition Act 1998.
11. Trainline hopes this submission will assist the DBT to work with the CMA in updating its Guidance and is very happy to discuss any aspect of this submission if that would be of assistance.
12. Trainline does not consider any part of this submission confidential.