

# Transport Scotland submission of 11 August 2022

## PE1930/C: Ensure customers are always given information on cheapest possible fare in new Scotrail contract

Thank you for your letter of 6 July 2022 requesting further information on a number of areas relating to ScotRail ticket pricing.

Transport Scotland officials have provided an update on the following areas, attached as Appendix A:

1. Any plans to extend the Consumer Duty to include ScotRail, now that the company is in public ownership
2. The progress of the Fair Fares Review, specifically an update on the anticipated timeline for completing this review.
3. Any action being undertaken to strengthen the commitments of the price promise guarantee.
4. What consideration the Scottish Government have given to the use of fare-capping, tap in/tap out technology for rail travel across Scotland.

I hope this information is helpful.

### **Annex A**

#### **1. Any plans to extend the Consumer Duty to include ScotRail, now that the company is in public ownership**

The Scottish Government is currently considering if Scottish Rail Holdings will be covered by this legislation. The Scottish legislation predates the creation of Scottish Rail Holdings, however, the sale of tickets is a reserved matter and the contract with the consumer is governed by that.

Consumers' interests are already represented by Transport Focus, which will continue to report into the ScotRail Trains Limited Board and compensation arrangements for consumers will continue under the

Customer Charter. Scottish Rail Holdings/ScotRail Trains Limited will ensure that consumer rights are protected.

## **2. The progress of the Fair Fares Review, specifically an update on the anticipated timeline for completing this review**

The Fair Fares Review is being undertaken in a phased manner, to enable potential options to be considered and potentially announced/ trialled or delivered throughout the course of the Review. However, it is expected to conclude in full during the course of 2023.

The purpose of the Fair Fares Review is to ensure a sustainable and integrated approach to public transport fares that supports the long term viability of our public transport system as we recover from the pandemic but also now includes consideration of increasing inflationary pressures and Cost of Living crisis, impacting both costs of operating and the affordability of using public transport.

The Fair Fares Review is considering both the availability of services and the range of discounts and concessionary schemes which are available on all modes including bus, rail and ferry. Also, options to create a fairer, more transparent system of fares across all modes that maintain and increase affordability for those who need it most, taking cognisance of the relative changes to the overall cost of travel.

## **3. Any action being undertaken to strengthen the commitments of the price promise guarantee.**

As part of the recently published Framework Agreement ([transport scotland rail services post 2022 Policy compendium](#)) between the Scottish Ministers acting through Transport Scotland and Scottish Rail Holdings Limited, ScotRail Trains Ltd is expected to explore what more can be done to enhance the price promise guarantee:-

*11.7 Assess potential benefits / financial impacts of strengthening the existing Price Promise Guarantee*

## **4. What consideration the Scottish Government have given to the use of fare-capping, tap in/tap out technology for rail travel across Scotland.**

The Scottish Government's vision is 'that all journeys on Scotland's bus, rail, ferry, subway and tram can be made using some form of smart ticketing or payment.' Rather than a 'one size fits all' Oyster system,

research indicates that passengers want choice for their smart travel options and this informed the smart programme developments towards a smart 'blended' estate including smartcard, mobile apps and contactless payment for passengers. This provides varied methods of smart ticketing and payment to reflect the varied journeys passengers make in Scotland.

We have supported ScotRail to launch their mobile app ticketing service in July 2021. This provides passengers with the choice to purchase advance single and return journeys, using digital mobile app tickets. Since this launch smart uptake on Scotrail has increased to 26%, despite a reduction in smartcard commuter travel.

ScotRail delivered a pilot for Account Based Ticketing in January 2019, allowing for fare capping and tap in/tap out technology. The pilot took place on the Cathcart Circle, including Neilston and Newton, for a period of four months and although proving to be a good customer proposition it was deemed unsuccessful on commercial grounds. Since ScotRail has been transferred to public ownership SRH has advised that an account based ticketing trial has been included within its business plan for ScotRail.

ScotRail Trains Ltd is currently developing a Fares & Ticketing Strategy that aims to accelerate growth of integrated ticketing by maximising utility of existing ITSO and bar-code infrastructure, and make travel across rail and other public transport modes a more convenient and attractive choice.

We are also continuing to support transport operators and Local Authorities with developing, adopting and strengthening their regional smart and integrated commercial ticketing schemes so these can be available across more of Scotland. This includes measures in the 2019 Transport (Scotland) Act that expanded the definition of ticketing arrangements to cover connecting rail and ferry services. This means rail and ferry can now be part of integrated ticketing schemes, where passengers pay one fare to travel on multiple modes in a defined area.

**End**