OFFICE *of the*
RAIL REGULATOR

ACCURATE AND IMPARTIAL RETAILING

REPORT ON THE FIRST NATIONAL SURVEY

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Contents

1. Summary

The survey

1.1 This was the first ever national survey of ticket retailing performance at stations by train operators.

1.2 It provides, for the first time, a robust measure of ticket retailing performance across the railway as a whole and for different kinds of transactions which will allow performance standards to be set.

Survey results

1.3 Overall, the industry is achieving an accuracy level for retailing at stations of about 90% across all[1] train operating companies (TOCs) and all transaction types.

1.4 The highest scoring transaction for TOCs as a whole is for straightforward immediate travel transactions with no alternative route or fare options, with a success rate of 96%. The lowest is 66% for advance purchase involving travel on a Sunday with a Sunday return a week later.

1.5 Telephone enquiry bureaux (TEBs) were tested only on advance travel scenarios and had a success rate of 84% overall. Their highest score was 89% for Sunday travel enquiries and the lowest 76% for APEX-type enquiries.

1.6 Customer service scores were very high with 95% of transactions marked as courteous.

The Regulator's conclusions

1.7 Overall performance shows there is still considerable room for improvement and no grounds for complacency. Any failure can have a significant effect on individual passengers and, at worst, could deter them from using the railway again.

[1] Except Virgin CrossCountry, which does not operate any station ticket offices.

1.8 Staff are generally doing the best they can for passengers with the tools they have. There is no evidence of any systematic bias. Accuracy is the main issue rather than impartiality.

1.9 The survey has revealed some significant industry-wide issues that need urgent attention - advance purchase tickets need to be retailed much better and urgent action is needed to improve information for disabled passengers in particular.

The Regulator's action programme

1.10 The Ticketing and Settlement Agreement (TSA) -the agreement that includes what TOCs must do when selling tickets - must be changed to include new enforceable performance standards for ticket retailing and regular performance monitoring.

1.11 Better training and better systems are essential. If TOCs do not make satisfactory progress voluntarily, enforcement action or licence modifications may be necessary.

1.12 TOCs and the Association of Train Operating Companies (ATOC) must provide reports by the end of January 1998 on the action they have taken on a range of issues.

1.13 There should be a follow-up survey in 1998 to measure what improvements have been achieved both by the industry as a whole and by each individual TOC. It is a priority for the next survey to produce reliable information on how each TOC is performing against the industry average.

2. Background to the survey

The January 1997 Policy Statement

2.1 The Regulator's policy statement in January 1997 announced his intention to undertake a national programme of mystery shopper surveys. This approach to measuring ticket retailing performance had been almost unanimously supported by those who had responded to the earlier consultation document.

The Regulator's aims and objectives for the survey

2.2 The key objectives for the survey, established in the consultation and policy documents were to:

- provide reliable information, across the network, about what kinds of tickets are retailed consistently and accurately and which are not; the degree of complexity at which problems begin to arise; and whether there are consistent patterns;

- provide a robust baseline against which to monitor future performance;

- identify areas for remedial action, both for individual train operators and for the industry as a whole, so that action could be proportional to the size of the problem and effectively targeted; and

- provide input to the two-year review of the TSA, particularly in relation to specific performance targets but also the adequacy generally of the current retailing obligations and associated regulatory powers.

2.3 To meet those objectives, it was important that the survey should be representative, not only of the whole industry, but also of the full range of ticket types that the industry offers to passengers. Previous surveys of ticket retailing had been both limited and selective, concentrating on only a small number of potential journeys on specific routes or on a single attribute, such as cost. They did not, therefore, provide a reliable picture of the scale of any problems across the network or, importantly, of

what operators individually or collectively needed to do to improve their performance in a way which would benefit them and their passengers.

2.4 ORR appointed Steer Davies Gleave (SDG) to advise on methodology, survey design and interpretation of results, and NOP Mystery Shopping to carry out the survey itself. Because this survey was the first of its kind, it was decided to carry out a further independent review of methodology and the results before publishing a report. The review was carried out by the Director of the London School of Economics Methodology Institute, and included consideration of the key issues of survey design which need to be incorporated into future monitoring programmes.

2.5 The following section describes the methodology used to ensure the survey was a realistic test of operators' ticket retailing performance.

3. Approach and methodology

Introduction

3.1 Many passengers, especially experienced ones, know what ticket they need for their journey and ask for it. This survey approached ticket purchase from the point of view of the inexperienced or uncertain traveller who is not aware of the options available or is unsure about what product will meet their needs. The survey therefore explored how well the industry performs in situations where a passenger's needs have to be established and options explained before a ticket can be sold. It was therefore a test of the quality of advice as well as the accuracy of the transaction itself, rather than simply a test of a typical ticket office day.

The scenario-based approach

3.2 The survey was designed around nine different scenarios which simulated a range of situations and transactions representative of those experienced by real passengers. The scenarios ranged from the straightforward (e.g. a requirement for immediate travel) to the more complex (including season ticket and advance purchase transactions). The requirements tested were as realistic as possible. There was no desire to devise trick questions which would catch staff out: that approach would have negated the point of the exercise.

The scenarios

3.3 The following table describes the nine different scenarios tested. They covered a wide range of transactions, including journeys where there were several choices of routes, operators and fares.

Scenario Number	Time of Travel	Return Date	Class of travel	Customer Priority	Additional features
Turn up and go					
1	Immediate peak/off peak	Same day	Standard	Journey time	No alternative route / price combinations
4	Immediate peak/off peak	In 7 days' time	Standard	Cost	Alternative routes/prices, e.g. via/not via London
First class					
2*	Immediate peak/off peak	Same day	First	Comfort	First class an option on at least part of journey
3*	In 8 days' time weekday off peak	Same day	First	Comfort	Some discounted advance purchase
Advance purchase					
5	In 2 weeks' time off peak	7 days after outward journey	Standard	Cost	APEX or other quota – restricted options available
Remote sale scenario					
6	In 2 days' time peak	Same day	Standard	Cost	Enquiry made at a station different to where journey was to begin. Some alternative routes
Season ticket scenario					
7	Peak commuting		Standard	Annual season ticket	Some multi-modal options in metropolitan areas. Some multi-leg, multi-operator journeys requested
Sunday return scenario					
8	"next Sunday"	"Sunday after"	Standard	Cost	Alternative routes/prices. Possibility of engineering works.

Wheelchair user scenario					
9	In 2/3 days' time (not Sunday)	Same day	Standard	Accessibility for disabled traveller in a wheelchair	Need to minimise changes. Questions asked by "friend" of the passenger

* Scenarios 2 and 3 were combined in the analysis of results to obtain more robust figures for first class transactions as a whole.

Sampling

3.4 The results of the survey are based on a total of 3,705 retail enquiries made at 933 staffed stations, across all the scenarios and across all TOCs. For each TOC, the main or largest stations were pre-selected (including the stations operated by Railtrack)[2] with the other stations randomly selected to provide a geographic spread and a range of station sizes/types. Half the transactions were undertaken in weekday peak periods (07.00-10.00 and 17.00-19.00) with the remainder spread across weekday off peak periods and the weekends. Schedule 17 of the TSA - which specifies opening hours and retailing capabilities of each staffed station - was used as a reference point, for example to ensure that advance purchase enquiries were not made at times when individual stations advertise a retailing restriction. Some stations, particularly busy commuter stations, do not sell advance purchase tickets in the morning peak.

3.5 The TEB results are based on 894 enquiries made across TEBs which, at the time of the survey, were part of the National Rail Enquiry Scheme (NRES). These enquiries were confined to the six advance purchase scenarios. With the help of ATOC, the mystery shoppers were able to access each TEB's individual telephone line direct rather than using the 0345 484950 national number, to ensure the transactions were evenly spread. Analysis, however, has focused on establishing a baseline of national performance (see para 4.23).

The shoppers' brief

3.6 The mystery shoppers were fully briefed in advance of the exercise. They were required to undertake the transaction as if it would lead to a sale - though in fact

[2] At these stations, the ticket offices are operated by TOC's.

tickets were bought only in scenario 1. They were also required to present their transaction in such a way that the ticket staff would have to ask enough questions to ensure that they would sell the right ticket to meet the shopper's needs, i.e. they did not simply ask for the ticket they wanted. In effect, they simulated the kind of transaction that would be carried out by an inexperienced traveller who is not already aware of the choices and options available. The shoppers were a representative mix of gender, age, socio-economic group, ethnic background and passengers with a disability.

3.7 The shoppers recorded a range of information for each transaction:

- Scenario type, station, time, date, characteristics of mystery shopper;
- Queuing times;
- Number of ticket windows open for type of travel sought;
- Time taken to complete transaction;
- Questions asked by the ticket office clerk;
- Types of ticket and prices at which sold or quoted;
- Train times and routes quoted;
- Reference to engineering works likely to affect the journey(s);
- Information sources referred to by the ticket office clerk;
- Any other information volunteered by the ticket office clerk; and
- The quality of customer service offered.

Marking the results

3.8 Each transaction sheet was analysed to determine whether the ticket offered was the most appropriate to meet all the shopper's specified needs. The National Fares Database (NFD) was used as the reference point.

3.9 Any transaction which did not match any of the options in the fares database was individually checked and re-checked, e.g. against temporary promotional offers, before being classified as a fail. A list of fail categories was drawn up and each fail was allocated to an appropriate category for each TOC.

Verifying the results

3.10 The marking process revealed a number of instances where the fare charged was 10/20p higher or lower than the fare shown in the NFD. Further investigation, with ATOC's help, revealed that, in some cases, fares due to be implemented in January 1997 had been adjusted after the date at which the NFD closes down to enable fares manuals to be printed. These late changes are permissible within the fares setting rules and such changes are programmed into ticket machines so that passengers are actually sold the correct fare. However, it means that there can be discrepancies between information held on ticket machines and fares manuals, so that fares manuals and the NFD from which they were derived are not necessarily a sound source of base data. This is particularly relevant in the case of remote sales, where staff may have to look up a fare in a manual or other publication if the journey is not beginning at that station. Although this affects only a very small proportion of the millions of fares held on the database, the discrepancy was concentrated in the 'turn up and go' scenarios which account for the largest proportion of TOC business and so had a disproportionately large effect on the initial results.

3.11 An initial detailed check on a small number of the late fares change discrepancies revealed some cases where the result was open to interpretation, e.g. where a requirement for the fastest journey had resulted in the sale of a ticket for the next train in a few minutes time. Because we intended to publish the survey results - the first time any such information about retailing performance would be made public-we decided, in the interests of fairness, to allow each retailing TOC to see and comment on its own results. ATOC commented on the TEB results on behalf of all TOCs. Of the station ticket office transactions originally marked as fails, TOCs challenged about

42% on various grounds. Those challenges and the evidence on which they were based were then re-examined by SDG and, in case of doubt, by ORR. As a result, about half the challenges were reclassified, either as passes or as transaction errors.[3] About 50% of the TEB fails were challenged, and these were reclassified as passes or transaction errors.

Weighting the results

3.12 To ensure the overall results were representative, the final scores were weighted so that for each scenario, and for the industry as a whole, the overall result would properly reflect the proportion of sales across the network made by each retailing TOC.

3.13 Separate results were produced using volume and value weights. The volume weighting reflects the number of any ticket type sold. It therefore better represents the chances of any passenger, buying a ticket at any station, being offered the right or the wrong product. The value weighting reflects the contribution each ticket type makes to total sales receipts. It therefore better reflects operators' commercial relationships in terms of revenue accurately collected on which allocations between operators and commission payments are based. The differences between the two methods are relatively small overall. This report uses volume-weighted results except where stated otherwise.

Timing of survey

3.14 The survey was carried out in two waves, in January and March 1997. This was so that any practical problems identified during the fieldwork could be corrected and would not affect the whole survey. It was not designed to measure changes, since the time between the waves was too short to capture any significant movements in performance. Only minor changes were made. between the two waves, and to all intents and purposes, it was a single survey.

[3] A transaction error is where the mystery shopper's record of the transaction was either incomplete or open to such a degree of interpretation that the transaction could not be accurately marked. In such cases, standard practice is to remove such transaction, from the survey sample.

Verification of methodology

3.15 Following the verification of results with TOCs, a separate exercise was undertaken to independently verify the methodology, for two main reasons:

(a) to ensure the methodological and statistical robustness of results intended for publication; and

(b) to identify ways in which the methodology adopted for this first national survey needed to be developed and taken into account for future surveys.

3.16 This verification exercise confirmed that the scenario-based methodology was fundamentally sound, that the survey had produced robust results for the industry as a whole, and that, having established a baseline, it provided a sound basis on which future surveys could build. The survey did not, however, produce statistically reliable comparisons of each individual TOC's performance. This was because the range of TOC performance revealed by the survey was relatively narrow. In addition, the probability bands around each TOC's performance were relatively wide and overlapped to a significant extent. As a result, it was not possible to rank TOCs in order of performance in a way which was both accurate and fair. But, now that this first survey has established base information on the industry average and the range of results, the next survey wave will be able to be designed to ensure statistically reliable measurement of individual TOC performance against the industry average.

4. The key findings

Introduction

4.1 This section of the report gives the key results of the mystery shopper survey. The results are weighted by the volume of each ticket type sold except where explicitly stated otherwise. Annex B gives the statistical confidence limits for key results.

Results of the station ticket office survey

Overall results

4.2 As mentioned in paragraph 3.1, the survey tested the accuracy of advice given to passengers who are not aware of the options available. It did not test the accuracy of transactions where the passenger asks for a specific ticket. To that extent, the results may understate, to some degree, actual performance across all transactions at ticket offices. Tests for impartiality concentrated on the scenarios where alternative routes and fares were available. The overall result across all scenarios and all TOCs was a pass rate of 90%, which provides a measure of performance for the national network as a whole.

Results by scenario

4.3 There was a wide variation in the success rates for different scenarios. As expected, the straightforward 'turn up and go' scenarios scored very well, while performance declined as the scenarios became more complex. The wheelchair access scenario is not included in the average because current systems do not capture ticket data in a way which allows the proportion of sales to wheelchair users to be identified. The results of that scenario cannot therefore be weighted in the same way as others, so the unweighted result is given separately after the overall average.

Station ticket offices – success rate by scenario (volume weighted)

Scenario number/type		Base	Percentage
1.	Standard 'turn up and go'	911	96
7.	Season	223	86
4.	Turn up and go, alternative routes/fares	685	86
5.	APEX type	513	82
2/3	First Class	169	82
6.	Remote	581	78
8.	Sunday return	515	66
OVERALL		**3597**	**90**
9.	Wheelchair traveller *(unweighted)*	108	81

Reasons for failure

4.4 The following paragraphs consider the main reasons for failure in each of the scenarios.

Standard turn up and go

4.5 This was the simplest scenario which, for the vast majority of TOCs, represents their core business. Across the railway as a whole, over 80% of all tickets are sold for immediate travel. In the south east, a large proportion of such tickets are cheap day returns (or equivalents) to London. As a result, this was also the most successful scenario, with a 96% pass rate.

4.6 The most common reasons for failure were that the fare quoted was too high or too Low (24% and 27% of fails respectively) - even after discrepancies between the NFD and late fares changes had been taken into account. Since tickets were actually purchased in all transactions, we will expect TOCs to examine in detail why such errors occurred. Another of the main reasons for failure was that a Travelcard was sold rather than the point-to-point ticket which was wanted. Although the majority of passengers may well want or need a Travelcard this should not be an automatic assumption. In many cases, the error could have been avoided if the booking office clerk had asked one more question to be certain that the passenger's needs were understood and being met. In a small number of cases a single was sold, rather than a return, or an off-peak fare when travel was at a peak time. Again, checking understanding of the passenger's needs would probably have prevented the error.

Standard turn up and go - alternative routes and fares

4.7 In this scenario, alternative routes were available at different prices (e.g. via and not via London), some using the services of different operators. The test was to ascertain the passenger's needs and priorities to give the best possible advice. This was one of the scenarios which tested for potential bias in favour of the retailing TOC's services over those provided by other TOCs. Analysis of the results has shown no systematic bias. In the successful transactions, retailers offered the route and fare which met the passenger's needs, regardless of the TOC involved, while errors were due to more general factors which worked both for and against the retailing TOC in different cases.

4.8 Again, the most common reasons for failure were that the fare quoted was higher or lower than it should have been (17% and 18% of fails respectively). Another major reason (19% of fails) was that the sale was refused: staff simply refused to go into the options and sell a ticket, and gave no advice on alternative means of buying a ticket. This is a significant failing which is being pursued with the TOCs concerned.

First Class

4.9 The first class scenario dealt both with tickets for immediate travel and advance purchase tickets. The two main reasons for failure in this scenario (accounting for almost 60% of fails) were either that a standard fare was quoted or a single fare, rather than a first class fare. Again, this shows an inattention to passengers' needs which could be improved by checking understanding.

Advance purchase

4.10 This scenario was structured around an enquiry for travel in 2 weeks' time which would generally qualify for an advance purchase, quota restricted ticket, referred to in this report generically as an APEX-type ticket. The overwhelming reason for failure (40% of fails) was that an APEX ticket was not quoted at all. TOCs have suggested that one reason is likely to be that local staff have sufficient knowledge to know that the quota for a particular train has been filled and so do not bother mentioning it. We have considered this carefully but given that the mystery shoppers did not ask for a particular train but started the transaction with a more general enquiry about the

cheapest ticket for travel on a given day, and given the prevalence of the error, it is unlikely that the TOC explanation can hold good in all cases.

4.11 Another common reason for failure was that the sale was refused or failed to be completed. As with other scenarios where this was a factor, there was no reason for this to occur. All transactions were carried out at times and at stations where there are no published restrictions on the purchase of advance purchase products. While one can sympathise with staff faced with a potentially time-consuming transaction when other customers are waiting, it is not acceptable just to send away a prospective passenger without at least offering an alternative, e.g. to ring NRES or to come back at a less busy time.

Remote sale

4.12 This scenario involved enquiring about travel at a station other than the one at which the journey was to begin. Travel was in two days' time and during the morning peak before 08.00. In this scenario, at stations without access to FACETS (the computer system which provides information on all national fares), staff were most likely to need to refer to a fares manual for the relevant information.

4.13 The wrong type of ticket being offered accounted for 40% of fails: a standard Saver or SuperSaver fare when a cheaper advance purchase product was available; an off-peak fare not valid for the journey being made; or a single being quoted when a return was needed. Although, as in previous scenarios, these errors might have been avoided by checking understanding of the passenger's needs, it is also possible that they reveal some difficulty with the correct use of fares manuals. Other main reasons for failure again were that a fare too high or too low was quoted (each accounting for 15% of fails). It is not clear why this should have happened and further investigation is needed by the TOCs concerned.

Season tickets

4.14 This scenario tested the advance purchase of an annual season ticket. Options were available, including a multi-modal ticket (e.g. Travelcard) within London and Passenger Transport Executive (PTE) areas. The routes tested were comparatively difficult, i.e. not exclusively to and from London or another large regional employment centre.

4.15 In 52% of fails, the quoted price was higher or lower than it should have been, which may indicate some lack of clarity in the instructions for calculating annual season ticket fares which makes it difficult for staff when faced with an unusual or unfamiliar request. In another 30% of cases, a multi-modal ticket or add-on was quoted when it was not requested - reinforcing the point about checking understanding of passengers' needs.

Sunday return

4.16 This scenario, amongst other things, tested whether staff mentioned at least the possibility of engineering works which might affect the journey requested. There was also the possibility of alternative routes and fares to provide a further check on bias.

4.17 This was the lowest scoring scenario with only a 66% pass rate. Two thirds of failures resulted from not offering the cheapest APEX-type product which was available for the journey. As with the advance purchase scenario, it is possible that in some cases, staff knew the APEX-type quota was full, but, for the same reasons given in paragraph 4.10, this seems' unlikely generally. In 9% of cases, a higher priced route was offered rather than the cheapest, but there was no bias in favour of the retailing TOC: the error was as likely to work against them as in their favour.

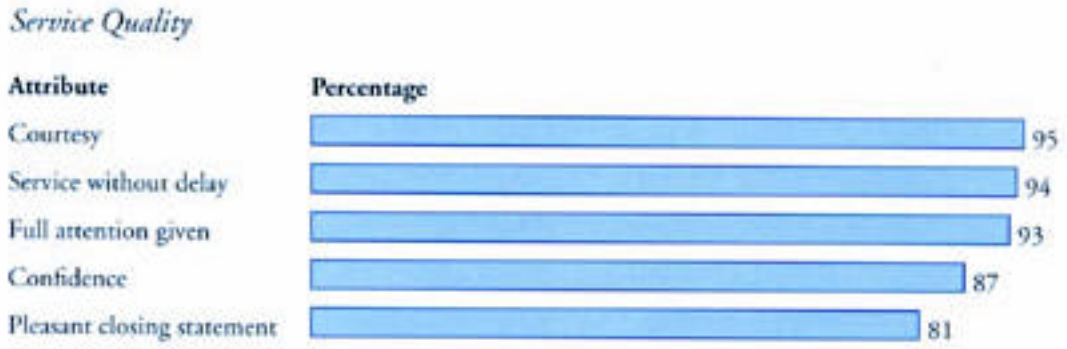
Wheelchair user

4.18 This was a relatively small sample which, as mentioned in paragraph 4.3, cannot be incorporated into the industry-wide weighted results because the proportion of such tickets sold cannot be separately identified within current systems. The priority in this case was to minimise the number of changes and to provide the journey which offered appropriate facilities (e.g. wheelchair spaces and accessible toilets).

4.19 More than half the fails (55%) were because the most appropriate route, which minimised the number of changes, was not quoted. In a further 15% of cases, the shopper was not given complete information about appropriate facilities. This is important because wheelchair users and other passengers with a disability need a high degree of assurance about their journey before they travel.

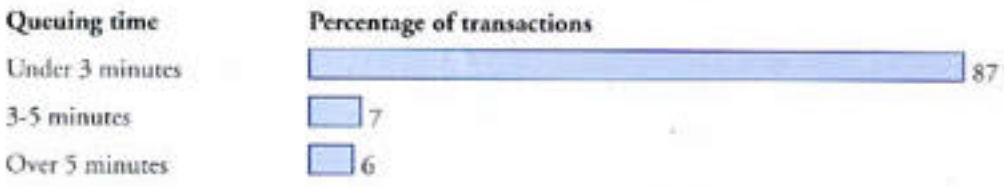
Service quality

4.20 The mystery shoppers were asked to assess the service they received against a number of different aspects of customer service. Overall, the results show that customer service levels across all TOCs are generally of a very high standard. Below are the overall results for a number of different attributes.



Queuing times

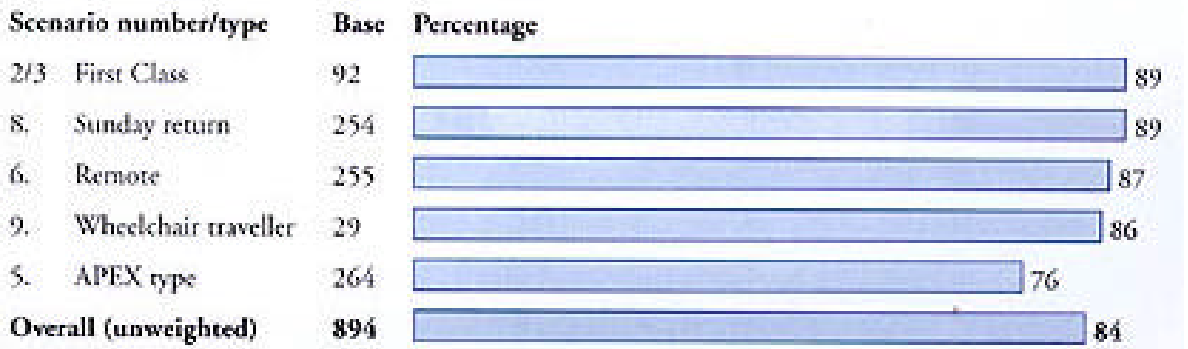
4.21 The survey covered how long the mystery shopper spent queuing before being served. The results across the railway as a whole do not reveal widespread or significant problems of excessive queuing times, though there are particular problems with some TOCs because of surges in demand at particular times.



Results of the telephone enquiry bureaux survey

4.22 As explained in section 3, telephone enquiry bureaux were also surveyed in six of the nine scenarios (i.e. not including the immediate travel scenarios for which an enquiry by telephone would have been unrealistic). The results are unweighted, since there is no information on the proportions of different types of enquiry made to TEBs. They are not therefore directly comparable with the station ticket office results. The overall result across all the surveyed scenarios was a pass rate of 84%. The table below shows the success rate for each scenario.

TEBs – Success rate by scenario (unweighted)



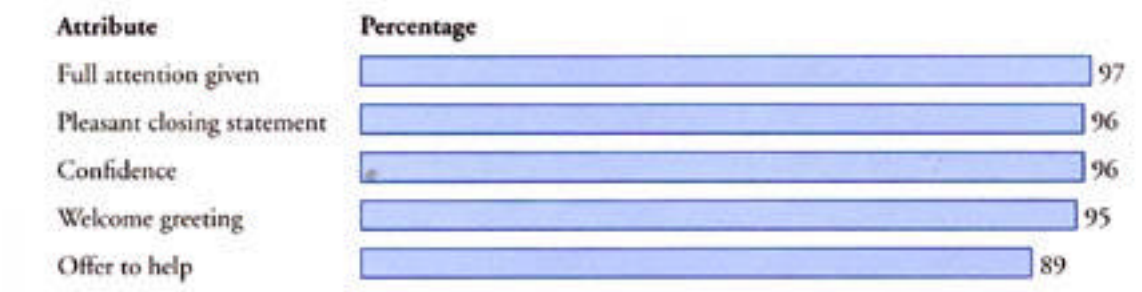
4.23 The TEB results have not been split down further either by TEB location or by TOC. The main reason for the TEB survey was to establish a baseline against which future performance can be monitored. Since the surveys took place mostly before April, when ATOC significantly restructured the NRES service, closing some TEB locations and merging others, only the national results are comparable or relevant to the NRES situation now.

Reasons for failures

4.24 The main reasons for the TEB failures are not dissimilar from the reasons in the station ticket office survey. The most significant reason was that an APEX-type ticket was not quoted when it was available for a particular journey. In addition, there were a number of instances where a discounted fare was available cheaper than the one quoted. Some errors were due to a more highly priced route being quoted when the priority was cost but, as with the station ticket office survey, this error was not systematically biased in favour of one operator over another.

Service quality

4.25 As with station ticket offices, TEB customer service scores were very high. The following table shows the ratings given on a number of attributes relevant to telephone enquiries.



5. What the results mean

The Regulator's overall conclusions

5.1 In general, the survey does not bear out the headlines from previous more limited surveys, that as many as nine out of ten transactions are inaccurate or that there is a significant problem of bias. An important conclusion from this survey is that there is no evidence of systematic bias in the retailing system. Retail staff are not favouring their own company's products over others that might be more suitable for the passenger. Overall, they are focused on the need to provide the product that the passenger wants regardless of the identity of the train operators involved. The accuracy with which those products are sold is the issue on which TOCs need to take action.

5.2 The average success rate of 90% across the industry masks two significant points. One is that this average is heavily weighted in favour of the straightforward, 'turn up and go' transactions, which account for the vast majority of tickets sold, and which scored a very high success rate of 96%. The next most successful scenario was ten percentage points lower than that. The other is that any failure can have a serious impact on an individual: a wrong ticket may leave a passenger out of pocket or at worst, can cause significant inconvenience or disruption to a journey, e.g. if an excess fare has to be paid or travel plans have to be changed. A 90% success rate is not therefore cause for congratulation or complacency.

5.3 It was to be expected that the more complex scenarios would have lower scores, but some give significant cause for concern. On the advance purchase APEX-type scenario, (scenario 5) almost one in five transactions was incorrect, mostly because the cheapest advance purchase fare was not quoted. This tends to bear out the concern highlighted in the earlier policy statement: that TOCs are introducing additional products, with sometimes complex restrictions or minor variations from existing ticket types with too little regard for the 'retailability' of such products, i.e. whether staff have everything they need to be able to understand them and sell them properly. Although such sales account for only about 5% of all sales nationally at the moment, that proportion is likely to increase - so the question of 'retailability' needs urgent attention.

5.4 The Sunday travel scores (scenario 8) were also unacceptably low, with more than three out of ten transactions incorrect. Again, the outstanding reason for failure was that the cheapest advance purchase ticket (generally an APEX ticket) was not offered. More positively, the great majority of shoppers were either informed about engineering works, or were told to check on engineering works nearer the time of travel. However, in general terms, this scenario reinforces the need for TOCs individually and collectively to examine carefully the range of products offered for leisure travel, particularly since this is a market they will have to grow to achieve their franchise plans and commercial aspirations. It is also the market which is likely to use the railway less frequently and need more assurance that buying the right ticket is an easy and reliable process.

5.5 This point is highlighted and reinforced by the score for the wheelchair traveller scenario (scenario 9) where one in five transactions was inaccurate, mostly because of inappropriate or incomplete information. It is vital for travellers with disabilities to have accurate information and a high degree of confidence that this is so. If not, then many will be deterred from using the railway at all and the objective of making the railway more accessible will not be achieved. This is an area which also needs urgent attention.

5.6 The TEB results are possibly better than might have been expected overall, considering the results of earlier, more limited surveys, but still not generally good enough. For the last year, as the NRES has been introduced, the priority has been to make accessing the service easier, with a single national number and to increase capacity to satisfy demand. It was always acknowledged that quality of information was the next item on the agenda. The survey results provide a sound basis for setting a benchmark and working towards measurable improvements.

Improving performance

5.7 The survey has highlighted a number of areas where significant improvements in performance can be achieved relatively quickly. In particular, additional briefing to staff to remind them of the importance of asking the right questions could reduce many of the failures, e.g. day rather than longer period returns being sold, standard rather than first class being quoted.

5.8 Other findings reinforce the need for TOCs to invest in improved systems to support the efforts that staff are making. Current ticketing systems such as APTIS are quick and easy for straightforward sales. Improved systems are needed to allow staff to meet the various preferences passengers might have and to identify and explain the ticketing options that will suit their needs as quickly and easily as APTIS currently meets straightforward questions. Further training, both in product knowledge and more general retailing skills, must also be a priority, but this on its own will not be enough to deliver the improvements that are needed in an environment where new ticket products are increasing rapidly.

5.9 More generally, the current arrangements in the TSA, which provide the mechanism whereby operators comply with their licence obligations, do not provide adequate incentives to improve performance. Those arrangements need to be changed to incorporate clear retailing performance standards and a systematic monitoring regime which will allow improvements to be measured and standards to be enforced.

5.10 The current arrangements also place passengers at a disadvantage. They do not know what standard of retailing services they are entitled to expect, and have no easy means of knowing that they have been sold the right product to meet their needs. Some operators are already making a promise to passengers in various publications that they offer impartial retailing of all tickets to all destinations, and back that up with information on e.g. fares for competing services. Such 'retailing promises', with better information to passengers, need to be developed and extended across the industry as a whole. Passengers have a right to be better informed, to understand the options they have, and to know how well the retailing service is being delivered.

6. *Action programme*

Action programme

6.1 One of the key objectives of the survey was to identify the areas where remedial action was needed, to ensure that action was effectively targeted. The results show that a wide range of actions is needed, both at the level of individual TOCs and across all TOCs.

Enforcement action by the Regulator

6.2 The survey has identified some cases where TOCs appear to be in breach of specific TSA obligations, primarily:

- the obligation to use reasonable endeavours to ensure ticket offices are open at the times specified; and

- the obligation to offer for sale the full range of national fares products.

6.3 These cases have already been examined in detail with the TOCs concerned who have provided assurances that they will comply with their obligations. The Regulator will continue to keep these issues under review and, if persistent failures occur, formal enforcement action may be taken.

6.4 As explained in paragraph 5.9, the TSA does not currently contain any performance standards in relation to accurate retailing performance. This means that the Regulator cannot take enforcement action against TOCs who retail inaccurately. This is therefore a key area where TOC obligations and the Regulator's powers need to be strengthened. The following paragraphs describe how this needs to be done.

Developing performance standards

6.5 The TSA is currently being reviewed by the industry - as provided for by the agreement itself. The Regulator has already set out to ATOC his objectives for the review, including that it should focus more effectively on performance as perceived by passengers.

6.6 In relation to retailing, this means developing the TSA to incorporate:

- an obligation to retail accurately with redress for passengers where this is not achieved;
- a performance standard which requires improved performance and which can be properly enforced;
- a requirement for regular monitoring of performance from the passengers' perspective to a specification agreed with the Regulator and the Franchising Director; and
- a right of regulatory audit of the results to provide an independent check.

6.7 The Regulator has already had preliminary discussions with ATOC about the changes needed. He is encouraged that TOCs appear to accept in principle the need to establish a regular programme of performance monitoring, and that they are considering various ways of improving the TSA in this area. He believes that both he and the industry have sufficient common interest in raising standards for changes to be implemented by agreement. But, as was made clear in the recent objectives for passenger train and station operators, the possibility of licence modifications cannot be ruled out if agreement cannot be reached.

The 'retailing promise'

6.8 The Regulator's policy statement on accurate and impartial retailing proposed a retailing objective as follows:

> "Providing accurate information and advice on journey and ticket options - irrespective of which company provides the train service - to allow passengers to make an informed choice; and providing the means to purchase the product that best meets their needs".

6.9 In their response to the policy statement, TOC Managing Directors, without exception, supported those objectives and committed themselves to work towards their achievement. What is needed now, however, is a translation of that 'mission

statement' into a positive commitment to passengers about the retailing service they are entitled to expect.

6.10 As part of the review of the TSA, the Regulator will wish to discuss with ATOC how best to implement a specific TOC commitment to passengers to retail the product that best meets their needs and to provide compensation if they fail to honour that 'promise'. The Regulator is aware that some TOCs already have some ideas along those lines, and will wish to explore these further. One option is for such a 'promise' to be included in Passenger's Charters, but given that retailing TOCs carry out that function, in effect, for the industry as a whole, there is a case for a mandatory provision to be included in the National Conditions of Carriage.

Immediate action by TOCs to remedy failings

6.11 The survey found several cases where fares quoted were higher or lower than they should have been. There was no pattern to these mistakes and no obvious reason why such mistakes should occur. Part of the reason may be that fares manuals and computerised systems may show different information - perhaps as a result of late fares changes after fares manuals have been printed. The Regulator expects TOCs to identify urgently how these failings arose and to take appropriate remedial action, in terms of improved staff briefing and training, clearer retail instructions, better communication of fares changes or, where necessary, systems improvements.

Monitoring progress

6.12 The Regulator believes that a follow-up survey should be carried out in 1998 so that progress can be measured. He considers it a priority that the next survey should also produce reliable results of each individual TOC's performance against the industry average. This survey now provides a sound base from which to develop a programme of continuous monitoring. ORR is prepared to carry out a follow-up survey, but the Regulator believes it is time for TOCs to take on the responsibility for measuring their own performance with appropriate independent verification of the methodology and results, as envisaged in the TSA changes outlined at paragraph 6.6 above.

6.13 Before any follow-up survey takes place, the Regulator wants TOCs and ATOC to report what action they have taken as a result of the current survey. He therefore wishes to receive, by the end of January 1998, reports as follows:

From each retailing TOC.- Action taken to improve performance at their retail outlets.

From ATOC: Action taken on the following issues:

- product retailability;
- better communication of fares changes;
- a systems development plan;
- fares information for passengers;
- quality of information provided by NRES; and
- improving the service to disabled passengers specifically.

6.14 The Regulator has a programme of regular meetings with the TOC Managing Directors at which he will discuss not only the steps individual TOCs are taking to improve performance, but also the ways in which they are contributing to the collective work needed to tackle industry wide issues. As he made clear in his regulatory objectives he is looking to the industry to work together positively to deliver their obligations - particularly on information and systems issues, which are critical if the industry is to inspire confidence and encourage more people to travel by rail. If voluntary cooperation has not resulted in clear, agreed action plans in these areas by the beginning of next year, the Regulator is ready to consider more formal enforcement of existing obligations and, if necessary, licence modifications to strengthen those obligations.

Appendix A: Glossary of terms and abbreviations

APEX Cheap advance-purchase tickets requiring a seat reservation to be made (including those without "APEX" in their name)

APTIS The most commonly used ticket-issuing machine for ticket offices

ATOC Association of Train Operating Companies

NFD National Fares Database

NRES National Rail Enquiry Scheme (telephone enquiry service)

ORR Office of the Rail Regulator

PTE Passenger Transport Executive

SDG Steer Davies Gleave

TEB Telephone enquiry bureau

TOC Train Operating Company

TSA Ticketing and Settlement Agreement

Appendix B: Statistical confidence limits

Scenario number	Scenario description	Confidence interval	Lower confidence limit	Upper confidence limit
Overall result	All scenarios	+/-1.6%	88.8%	92.0%
Scenario 1	Standard turn up and go	+/-1.6%	94.5%	97.8%
Scenario 4	Turn up and go, alternative routes/fares,	+/-3.2%	83.3%	89.6%
Scenarios 2/3	First class	+/-7.3%	74.9%	89.6%
Scenario 5	Advance purchase (APEX-type)	+/-4.9%	77.0%	86.7%
Scenarios 6	Remote sale	+/-4.0%	73.5%	81.6%
Scenario 7	Season ticket	+/-6.2%	79.8%	92.2%
Scenario 8	Sunday return	+/-5.1 %	60.6%	70.8%