

Transport Scotland submission of 25 January 2023

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

Thank you for your letter of 25 November 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 to this letter:

1. Will Scottish Rail Holdings Ltd be covered by the Consumer Duty legislation?
2. If Scottish Rail Holdings Ltd is not covered, what action is proposed to ensure that the organisation will be covered by the Consumer Duty legislation, and what is the timescale attached to that action?
3. What action is the Scottish Government taking to support transport operators in developing and deploying tap in/tap out PAYG technology?

I hope this information is helpful.

Annex A

1. Will Scottish Rail Holdings Ltd be covered by the Consumer Duty legislation?

2. If Scottish Rail Holdings Ltd is not covered, what action is proposed to ensure that the organisation will be covered by the Consumer Duty legislation, and what is the timescale attached to that action?

The Scottish Government is currently considering whether Scottish Rail Holdings will be covered by this legislation. Whilst the Scottish legislation predates the creation of Scottish Rail Holdings, the intention is that all public bodies will be covered by the Consumer Duty.

However, as highlighted in the previous response to the Committee, the sale of tickets is a reserved matter and the contract with the consumer is governed by that. Consideration of the interaction of devolved and reserved matters will form part of the Scottish Government's Consumer Duty scoping work which is expected to begin in 2023.

3. What action is the Scottish Government taking to support transport operators in developing and deploying tap in/tap out PAYG technology?

Transport Scotland, on behalf of the Scottish Government is committed to supporting the industry, operators and transport authorities to enhance their smart ticketing.

Passengers seek simplification and ease of use. That is why we supported the creation of integrated 'smartzones' across Scotland, providing smart multi-operator bus travel in Aberdeen, Dundee, Glasgow and the South East. In 2019 we further enhanced the interoperability of ITSO smartcards in Scotland, meaning passengers are able to use just one 'universal' smartcard to travel on bus, rail, tram and subway, including the NEC card.

Working with bus operators, we recognised that more passengers wanted to use contactless bankcards to pay for services and since 2018 have supported its growth on buses through our £1.1m Smart Pay Grant Fund to upgrade ticketing retail equipment. As a result, over 95% of buses in Scotland now accept contactless payment, vastly simplifying

on-board payment for passengers. This provides the infrastructure to allow PAYG on buses, should operators aspire to do so.

First Glasgow has recently launched tap-on-tap-off on all of their services and a number of the larger operators (Lothian, First Aberdeen, McGills) have coupled contactless payment with capped fares, which provides passengers with the convenience of a set daily fare calculated by the number of tap on's (and no need to tap off). This reflects feedback from usage which indicates passengers often forget to tap off and, coupled with the costs of installing tap off readers, a set fare could be a better alternative. Our engagement with operators indicates they continue to review customer feedback, whilst making significant enhancements to their ticketing technology to provide PAYG, noting its popularity with passengers. We also note and support the Glas-go Bus Alliance aspirations to introduce multi-operator capping across Glasgow in 2023, with a view to incorporate other modes in 2024.

We recognise there is more to do. Therefore we are progressing measures in the Transport (Scotland) Act 2019, setting a framework to enhance delivery and the standard of smart ticketing.

This includes establishing the National Smart Ticketing Advisory Board to advise the Minister on smart ticketing and a technological standard to enhance the consistency and interoperability of smart ticketing. This standard should create more opportunity for integrated smart ticketing schemes between operators and modes.

There is also opportunity for further enhancing smart ticketing on rail. Currently m-tickets and ITSO smartcards are available and used for around 33% of journeys. Transport Scotland is strongly supportive of multi-modal Account Based Ticketing – on mobile, ITSO or contactless – and recognise the significant benefits this provides to both passengers and operators, improving journey interactions, enhancing data, increasing trust and encouraging modal shift. ScotRail is evaluating the options to upgrade the infrastructure to support usage of contactless bankcards on the rail network.

Following a trial in 2019 of ABT using ITSO smartcards linked to the customer's bank account, Transport Scotland is currently engaging with ScotRail on future opportunities for ABT introduction. The trial in 2019 demonstrated that the proposition was popular with customers, however a wider implementation and maintenance costs were unsustainable at that time. As more technology solutions come to market, we are keen to

identify any new opportunities in this arena, albeit mindful of the current fiscal situation.

We also believe that more information should be available to passengers, so they are more empowered and confident to use public transport and trust they are paying what they need to. That is why we are upgrading the digital travel data services that sit behind Traveline Scotland and other journey planner providers, and will develop the Open Data provisions in the Transport (Scotland) Act 2019. This will result in more bus fares information being made available in an open format, as well as information on accessibility, active travel and realtime data meaning they are more informed about their journey and feel empowered to shift to public transport.

Noting the significant impact of the pandemic on travel behaviours, and advances in technology, Transport Scotland will be refreshing the 2018 Smart Delivery Strategy. This will set the vision for smart ticketing in Scotland, recognising the significant enhancements operators are making, and how Transport Scotland can guide and support operators and local authorities to provide simpler, easier, smarter journeys for passengers across Scotland. This will include recognition of PAYG/Account Based Ticketing as a key opportunity to enhance the attractiveness of public transport.

Update on Fair Fares Review

The Scottish Government is progressing the Fair Fares Review to ensure a sustainable and integrated approach to public transport fares.

The Fair Fares Review is considering both the cost and availability of services and the range of discounts and concessionary schemes which are available on all modes, including bus, rail and ferry. It will develop and assess 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.

The review is expected to conclude in early 2023 with the launch of a public consultation on a Draft Vision for Public Transport which will give people across the country the opportunity to shape the future of public transport in Scotland.