railfuture

Where is Journey's End for Ticket Offices?

Executive Summary and Introduction

The ticket office has been part of the Railway since the start. But now 7 in 8[1] people buy their ticket in other ways – online, from ticket vending machines – or use Pay as You Go (PAYG).

We've been told that paper tickets cost the Rail Industry more than £0.5bn per annum[2] - a figure we suspect includes noticeable costs that are away from ticket offices such as for running Ticket Vending Machines (TVMs) including printing tickets bought online. Andrew Haines, Chief Executive at Network Rail and at the Great British Railways Transition Team recently commented "Rail reform must reduce costs by £1.5bn a year, modernise working practices and remove perverse incentives that drive cost and complexity and wasteful duplication"[3].

Whilst modernising ticketing and saving money is a worthy & essential goal – and should be a benefit for many passengers (but must not leave some worse off), we do not believe the reduction in ticket offices (and hours of opening for many of those that remain) should leave to significant staff reductions. Instead, those staff should be re-deployed on stations to help passengers – with advice, solutions to disruption and practical support – eg assistance boarding trains. And that includes still selling tickets for some of their time. An underutilised ticket office clerk will be of more use to passengers if they take on more responsibilities - but they should still sell tickets. That way, revenue will grow as passengers will feel more confident in their travel because there are staff there to help them if needed.

For now, the Railway Ticket Office still serves a vital function:

- Some intending travellers don't have a choice as they aren't computer users (and Ticket Vending Machines [TVMs] are computers) or perhaps they don't have a bankcard (and most TVMs are Card only).
- The National Rail ticketing system is often so complex that travellers only feel they can buy the right ticket once they have taken advice from a Ticket Office staff member.
- Some types of ticket can still only be bought at the Ticket Office – eg those who are to pay for their ticket with a Rail Warrant.

We think there three key elements to future change:

1. Ticket offices may no longer be needed at most stations, but multi skilled staff that can (and do) sell tickets are. The closure of ticket offices is not a way to save a lot of money – it's a way to improve service throughout a station by having more staff to help in every other way (passenger assistance, information and guidance etc etc). At some stations (eg Gatwick Airport), we think there will be a need

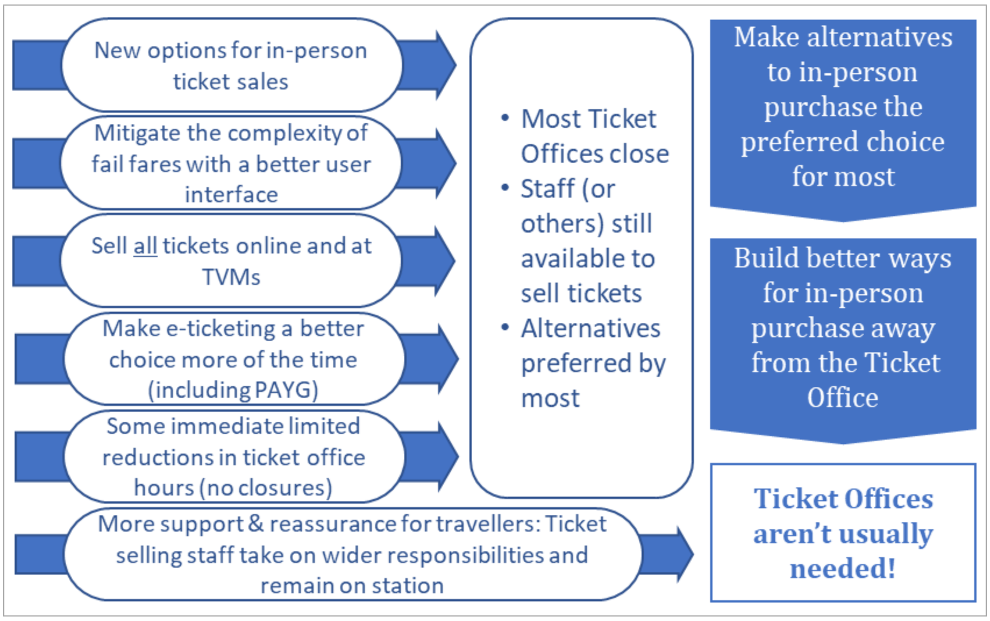
[1] https://www.thetimes.co.uk/article/secret-plan-to-close-all-railway-ticket-offices-as-strikes-grip-britain-7wcccnt3x Sunday 19 June 2022 ("In a speech on Thursday, Grant Shapps, the transport secretary, said that one in eight tickets was still sold over the counter").

[2] https://www.gov.uk/government/publications/great-british-railways-williams-shapps-plan-for-rail - DfT unpublished analysis.

[3] Rail Magazine 970 https://www.railmagazine.com/.

for dedicated ticket sellers for the foreseeable future.

2. Online ticket selling needs to get much better, and PAYG both better and more widely available before ticket offices are closed wholescale, so that they become the preferred choice for even more people (and for all types of journey – many fare and other choices, not just simple ones). Better means easier to use, ticket collection at stations required less, available for more routes etc. And on-station ticket selling (away from the ticket office) needs to be able to sell the full range of tickets as well.
3. Online ticket selling needs to become more appealing by reducing the portion of ticket sales that require time to be spent at the station – most notably to collect a traditional orange striped ticket, but also because in-person purchase is the only option in some circumstances.



Our key message is make the alternatives the best option first, and only then there can be a radical reduction in ticket offices (but do recognise that some stations are going to have enough demand for dedicated ticket sellers for many years). **And recognise that for some, it is not about preferring to buy in person, but is the only realistic option**.

Appendix A includes a sample programme of works.

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Travellers without a choice: New options to buy in-person

These travellers are the most important to 'protect' – if they are to continue to travel by train, staff need to be available to sell them a ticket. But those staff members don't need to be behind a glass window to do that, nor dedicated to ticket selling – they could be given a smart device (and printer) – they could even operate a TVM on the passenger's behalf (which has the additional appeal of possible future self-service). There are problems to be solved – cash handling is one (why should that member of the rail staff be expected to carry round substantial amounts of cash for any length of time? – it's a risk to their personal safety).

There are also options like Merseyrail's MtoGo[4] (a "station ticket office, combined with a convenience store") – and if ticket selling is to be easier it will be possible to allow businesses present on (or near to) a station such as coffee shops to sell tickets as an extra facility.

Finally, we believe that are a few stations where dedicated ticket sellers are always going to be needed throughout most of the day. Major airports are a key example, where there are many passengers new to the UK Railway; other stations will benefit from having dedicated ticket sellers for smaller parts of the day, perhaps acting as TVM Concierges to both directly operate the TVM and guide passengers in their own use.

The exact arrangement at each station needs to be determined on a case by case basis, taking into account factors such as passenger numbers, regularity of use, range of typical destinations – and the layout of the station – at some the ticket office may well be a natural focal point, so an 'office' remains (possibly with the window removed); at another, the gateline might get a table, computer screen and chair, and at others a new welcome point might be constructed (as already exists at Birmingham International[5]).

Making it easier to buy the right ticket: Mitigating the complexity

We hear talk of x million fares, which is then mapped to complexity. But there are always going to be a lot of fares when there are 2,589 National Rail stations and most of them have at least one fare to most other stations. The real challenge is that there are:

- Myriad ticket restriction definitions – eg Harpenden station (Thameslink / Midland Mainline) has 4 off-peak choices for London; 8 miles away at Hemel Hempstead (London Northwestern / West Coast Mainline) there are 3 off-peak tickets, but apart from not being valid in the morning peak, they have little in common.
- Split Ticketing isn't provided by TOC owned websites. The author's own experience is that Split Tickets can offer value in a surprisingly high portion of journeys. Excluding trips into London from the local station (22 miles), a subjective impression by the author of recent journeys is that around 50% offered the chance for a saving.

So, what might be done about it? We think the key tasks are:

Accept Split Tickets exist 'officially'

Face up to split tickets and decide to 'officially' accept that they exist and that they should be routinely offered to everyone. Remove the need to be a 'savvy' purchaser of tickets and treat everyone the same. Whilst it sounds a contradiction, accepting that they already exist is a key enabler to simplification, as many tickets can be removed as they are replaced by the relevant part journeys.

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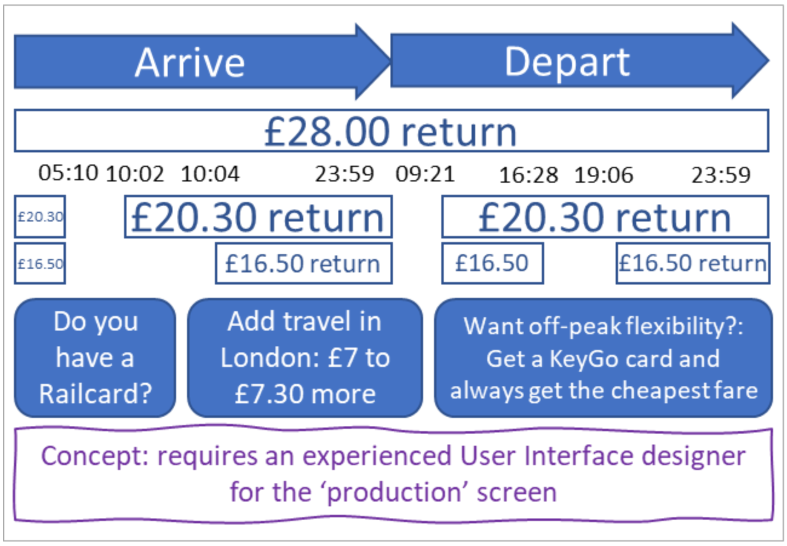
[4] https://www.merseyrail.org/plan-your-journey/at-the-station/mtogo.aspx

[5] The ticket office here has been closed, replaced by a Welcome desk and latest generation TVMs. But the TVMs aren't logical – even for flexible tickets, they expect a pair of journeys to be chosen.

Start to sell journeys and choices rather than just tickets



Don't start by selling tickets – start with the choice by price available to the traveller – mitigating the complexity so that travellers don't need to understand what a Thameslink "Super Off-Peak" fare is (which is significantly different to the London Northwestern one with the same name). For longer distance journeys where Advance fares are available, then it may be a two stage process – a set of broad options first that explore which of price, flexibility and exact time of travel is more important, then into more detail.

Simple simplification "now"

Whilst Railfuture would like there to be significant fare and ticketing reform "now", we recognise a lack of political will and that it is a very complex task. However, we do believe there is room for some easy simplification now – that can increase the passenger choice of trains and make choosing the right fare easier – and thus stimulate demand. For instance, some specific TOC fares could be removed, such as those for Avanti West Coast services that are only 10p cheaper than the any operator fare (abolish the AWC fare and reduce the any operator fare by 10p)[6]. Undoubtedly, there are opportunities to simplify off-peak fares as well – for instance, we have heard of a comment that there are 665 different types of off-peak restriction[7]. Our proposal above would 'hide' this, but some simplification must be possible by merging almost identical restrictions.

A single Railcard

Proper consideration should be given to following the Bahncard[8] model – a single Railcard for all, where the key distinction is the price of the Railcard rather than eligibility for different cards depending on your circumstances (eg age). Our 'ask' is not the adoption of the pricing structure of Bahncard ticket discounts, but simply the design principle of a single card, available to everyone.

Sell <u>all</u> tickets online

Most tickets can already be sold online and TVMs also sell most tickets, but not every ticket[9]. Move to a world in which every ticket can be bought online and on TVMs – but do it phases, rather than in a single delivery, as some aspects (eg a need to build an electronic Rail Warrants option) will take more time.

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[6] Many operator only fares – such as the London Northwestern fares between the West Midlands and London reflect differential service types and we do not envisage these will be abolished.

[7] https://www.bigmarker.com/bauer-media/A-RAIL-Webinar-Creating-a-Better-Railway-Passenger-experience-fares-ticketing from 21:00

[8] https://www.bahn.com/en/offers/bahncard & https://en.wikipedia.org/wiki/BahnCard

[9] Any ticket to be purchased with a Rail Warrant (often used for vulnerable people, the Armed Forces) – see https://www.atocrailwarrants.org/the-rail-warrant-account. Also limitations by ticket type Eg East Midlands 7 Day Rover – only from Ticket Offices – https://www.nationalrail.co.uk/times_fares/prdbb6cfc35ce7410161c045cfc69855.aspx

This is also a good target for the planned single national website. And once that software is available online, deploy it to Ticket Vending Machines, albeit with an evolution to sell the most common journeys for that machine as the 'home screen' (but then again, that shouldn't be new – it's actually a very useful feature for a website – sign in, and the first thing it does is offer another sale of the last few tickets you bought). It may work less well on older machines with smaller screens, so some investment may be required.

Make PAYG and other e-ticketing a better choice more of the time

If a traveller needs to spend time at the station collecting their ticket, then there is an incentive to both buy and collect their ticket in a single activity at the station. Online purchase becomes more appealing if it possible to complete the entire transaction in advance and away from the station; and similarly PAYG only requires a tap in / out at the station taking a few seconds. So, full e-ticketing (as an option) needs to become more prevalent – and available to an increasing portion of journeys, eventually reaching 100% of journeys.

Pay as You Go

We are encouraged by the Government's desire for there to be more PAYG and believe the "Day tripping" market into larger towns and cities where there is a relatively frequent service, and the journey time is an hour or less. Products like GTR's Key Go should be rolled out extensively; it is essential to ensure they can handle railcards and the full range of flexible fares which GTR's product does[10]. The back office infrastructure of these systems needs to be able to link bank card tap ins/outs to accounts to avoid the need to possess a dedicated cards – a model similar to TfL's.

Two key requirements are to

1. Move to a single model – from the author's local station, there are currently two – use a Bank Card, and the journey is priced (and charged) by TfL's infrastructure (on behalf of GTR); or use GTR's Key Smartcard, and their own infrastructure prices and charges. And dependent on the circumstances, the one offering best value varies[11].
2. To provide it for journeys that involve more than one TOC.

PAYG can offer consumers a key promise – the lowest possible cost for their journey, by pricing up the actual journeys taken rather than forcing the customer to pay in advance for flexibility[12]

TfL ticket integration for e-tickets – and PAYG

Steps are needed to deliver more benefit for online purchasing by reducing the occasions that time is needed at the station to collect an orange striped ticket – at present this is a requirement for every single journey that involves, or could[13] involve, use of TfL. Two particular targets should be to:

1. Find a way for TfL to accept e-tickets for longer distance journeys where PDF and App /Wallet tickets are now prevalent. An initial step might be to offer such journeys on Railway

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[10] Other than for period returns – ie return the following day or later.

[11] Travel in in the morning peak and return later as a Railcard holder, the best option is TfL inbound, GTR outbound. Travel off-peak with a Railcard and GTR's offering is usually cheaper.

[12] Thameslink (north of the Thames) and Great Northern offer 2 off-peak tickets – return anytime and return outside the evening peak. With PAYG, the charge made reflects the actual journey, whereas on paper tickets, a traveller who could be returning in the evening peak has to buy the more expensive ticket irrespective of their actual return journey time.

[13] Eg many Thameslink journeys are only available on paper as there is the possibility the passenger will route via London Underground.

Smartcards such as GTR's Key Card, or to offer the journey at reduced price that excludes the cross London element other than by Thameslink and/or the Elizabeth line.
2. Provide a PAYG 'world' that offers integrated pricing along the lines of the London Travelcard for journeys on both National Rail and TfL.

The showing your ticket promise

Similar in concept to the Direct Debit promise, a showing your ticket promise would allow travellers to hold virtually all ticket types in the way they prefer – they have the choice of collect at station, print on their own paper, show as a PDF file on their smart device or computer – or show in App or in the Device Wallet on a Smart device.

The exceptions to this would be tickets where detailed tracking information is needed, such as Pay as You Go and Season tickets, where smartcards, smartphones or bank cards may well be a pre-requisite.

Some immediate reductions in ticket office hours

Railfuture is realistic – in some stations, at some times, the rate of purchase from Ticket Offices is already wholly uneconomic; we think it sensible that there is some immediate redeployment of staff from ticket office to platform (or, if relevant, the ticket gateline). But at this stage, actually closing a ticket office should be really exceptional – the immediate goal needs to be to reduce hours but retain the ticket office based selling capability. It may make sense to shift hours of operation away from supporting the peak hour commuter to selling to the off-peak leisure traveller.

Support & Reassurance for travellers

A core goal for the railway has to be to encourage travel – the marginal cost of a single additional traveller is negligible (the cost of handling the payment, possibly printing the ticket etc) – and travellers very much value the presence of staff at stations – from safety, through reassurance and advice (and ticket selling!) to practical support – eg help with boarding trains for the less mobile and wheelchair users.

Therefore, whilst we see the provision of ticket buying at ticket offices to be a reducing requirement, we do not see this as a big opportunity for cost saving. Rather, it is a revenue growth opportunity by (1) providing better way for most to buy tickets and (2) making the railway a more pleasant option for travel.

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Appendix A – A sample programme of works

How to use Ticket Offices less – or why glass doesn't need to be important

Equality, inclusion, upselling through confidence to travel and ease of purchase (or Carrots, not sticks). Recognise as customer service improvement, not cost saving

The Human touch	Confidence	Great alternatives
Some always want (need) to buy from a person – not a technology user, needs advice	Current rail ticketing is seen as impenetrable: Make the online selling process more intuitive	PAYG & E-ticketing speeds you through stations: make it as easy and widespread as possible
Multi-skilled staff on the station, with focuses on ticket selling at set times. Some way to handle cash	A single National Railcard, like Bahncard, where the customer characteristic sets the price. Available to everyone, albeit expensive for some	Day returns market: More PAYG / Post Pay, including use of bank cards (linked to an account for benefits such as Railcards)
	Establish a principle of freedom in storing tickets: Always a choice from In App, Phone Wallet, online PDF, printed PDF, Railway Smartcard – and Orange Striped (and PAYG options sometimes)	
Quick wins on ticket simplification – eg remove some operator only fares (eg AWC in the West Midlands) [but keep where the product is different], merging almost identical off-peak restrictions		
One source of the truth: a GBR pricing engine that mixes point to point (inc seasons) National Rail, Split Ticket National Rail and TfL Contactless. Feeds the web, Apps, TVMs & ticket staff (some buying & use remains painful ~ but at least the decision is easier). Sells every ticket (Rovers, Attraction + travel etc etc)		
	Improve the selling process of existing tickets: A user Interface on the Web and in Apps that sells journeys & choices, not tickets. Make that UI good for all (sight challenges, neuro diverse, etc etc)	
More options for ticket sellers outside the railway (eg in Cafes, Shops, Libraries) *Provide support*		Roll this approach out to TVMs (with variations)
		Reduce reliance on the Orange Striped ticket, particularly multi-Modal (eg TfL Cross London)
Full ticket & fare simplification		