

## RAIL FARE INCREASES



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Source: National Statistics website: [www.statistics.gov.uk](http://www.statistics.gov.uk)

The government's RPI+1% policy began with January 2004 increases and lasted up to January 2013. For January 2014 increases it is RPI. The fares policy relates to England. Scotland and Wales have a similar policy but it has differed in some years.

Regulated fares have increased by RPI+1% for ten consecutive years and are about to increase (on 2nd Jan 2014) by RPI (3.1% - the RPI figure in July 2013).

The following table shows how a £100 fare in 2003 has increased over the last decade, and how much less it would have increased if successive governments had not forced train operators to increase fares above inflation.

Note: RPI is an old-fashioned measure of inflation that is little-used (except for rail fare increases) whereas CPI is used by the government as a 'national statistic' and is used for pension and benefit increases. CPI takes account of changes in spending behaviour by consumers. In effect, because rail fares have increased above CPI each year the proportion of a family's spend on rail has increased even if their travel activity has stayed the same.

Jan	Prev July figures		<u>Actual Fare Increases</u>		<u>If RPI</u>	<u>If CPI</u>
	<u>RPI %</u>	<u>CPI %</u>				
				£100.00	£100.00	£100.00
2004	3.1	1.3	<b>4.1</b>	£104.10	£103.10	£101.30
2005	3.0	1.4	<b>4.0</b>	£108.26	£106.19	£102.72
2006	2.9	1.9	<b>3.9</b>	£112.48	£109.27	£104.67
2007	3.3	2.4	<b>4.3</b>	£117.32	£112.88	£107.18
2008	3.8	1.9	<b>4.8</b>	£122.95	£117.17	£109.22
2009	5.0	4.4	<b>6.0</b>	£130.33	£123.03	£114.03
2010	-1.4	1.8	<b>-0.4</b>	£129.81	£121.31	£116.08
2011	4.8	3.1	<b>5.8</b>	£137.34	£127.13	£119.68
2012	5.0	4.4	<b>6.0</b>	£145.58	£133.49	£124.95
2013	3.2	2.6	<b>4.2</b>	£151.69	£137.76	£128.20
2014	3.1	2.8	<b>3.1</b>	<b>£156.39</b>	<b>£142.03</b>	<b>£131.79</b>

## CONCLUSIONS

If passengers had paid only CPI fare increases since Jan 2004 a fare that is now £156.39 would only be £131.79, i.e. it would have gone up by 31.79% over 11 years rather than 56.39%.

	<u>If RPI</u>	<u>If CPI</u>
Excess increase on £100 fare in 2003 against alternative	£14.36	£24.60
Excess percentage increase in 11 years:	14.36%	24.60%

### Comparing the Jan 2014 fare with the fare in 2003:

How much less fares would be if RPI used from Jan 2004	9.18%	
How much less fares would be if CPI used from Jan 2004		15.73%

Railfuture believes fare increases should relate to CPI not RPI. Passengers have lost out because of the government's use of RPI.

Cumulative difference in CPI and RPI over 11 fare increases	7.77%
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