
Secretariat memorandum

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CAC009

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Ticket vending machines at national rail stations – withdrawal of ability to use cash

1 Purpose of report

- 1.1. To report on the discussions had with Train Operators and ATOC regarding the withdrawal of the ability to pay by cash at ticket vending machines.

2 Recommendation

- 2.1. Members are recommended to note this report.

3 Background

- 3.1. Members will recall that recently as part of the process for changing the ticket office hours of various stations operated by London Midland, it emerged that this company had one year previously removed the ability to use cash at all its ticket vending machines except at London Euston and Watford Junction.
- 3.2. London Midland had done this as an economy measure following a number of thefts from machines. However, they had not informed other train operators whose services either called at London Midland's stations or would be interchange points from either London Midland or other operators services for the purposes of charging Penalty Fares.
- 3.3. London TravelWatch maintained that this change was unfair and introduced a significant element of uncertainty for passengers who might be liable for such a Penalty Fare, and would put at a disadvantage and potential risk, passengers who for various legitimate reasons do not have access to a credit or debit card. These include children, people on low incomes or who have been refused cards because of previous poor credit history, and visitors from overseas whose credit or debit cards are not 'chip and pin' enabled.
- 3.4. Subsequent to this discussion with London Midland, a casual officer observation of a fault with a First Great Western machine, revealed that this company too, was in the process of removing the cash facility from most of its London TravelWatch area ticket vending machines (except London Paddington and Ealing Broadway). There are also other known instances of individual stations on certain train operators (e.g. Knockholt on Southeastern) where no cash payment facilities are available.
- 3.5. The issue has been taken up with ATOC and the DfT. The response from ATOC is attached as Appendix A.

- 3.6. Members will note that whilst it is a laudable aim to reduce the number of thefts and damage to machines, the whole purpose of the machines is to provide a means of ticket purchase to passengers. In London many journeys are relatively short distance and with low monetary values – for which a significant proportion of passengers (as well as those without access to cards) is likely to wish to use cash. In the case of Oyster Pay As You Go it is known that a significant proportion of users only deposit on their card sufficient credit to make individual journeys. The application of a Penalty Fare for not having a card to purchase a ticket requires an additional element of discretion to be applied by ticket inspectors – something that train operators have not been keen to do. It also makes the enforcement of Penalty Fares more difficult, especially if it is shown that a passenger does have sufficient cash available on their person.
- 3.7. A check has been done against appeal complaints that we have received regarding Penalty Fares. To date has not revealed any cases where an appeal to London TravelWatch has been made. However, as only a proportion of Penalty Fares issued are brought to us on appeal, this does not mean that there have not been cases where a Penalty Fare has been issued in respect of journeys made by passengers from stations without cash facilities.
- 3.8. The Department for Transport has been made aware of our concerns. Discussions have also taken place with officers of Passenger Focus. That organisation was also not aware of the changes by London Midland and First Great Western, and is supportive of our position because it has wider national implications.

4 Equalities and inclusion implications

- 4.1. The removal of cash facilities as noted above is likely to increase inequality and exclusion of vulnerable groups such as children and those on low incomes.

5 Legal powers

- 5.1. Section 252A of the Greater London Authority Act 1999 Act (as amended by Schedule 6 of the Railways Act 2005) places duty upon the Committee to keep under review matters affecting the interests of the public in relation to railway passenger and station services provided wholly or partly within the London railway area, and to make representations about them to such persons as it thinks appropriate.

6 Financial implications

- 6.1. There are no financial implications for London TravelWatch arising from this report.

Appendix A

Email from Peter Twigg dated 16 May 2011.

Hello Tim

When Sharon, Janet and you met Michael Roberts and I around 10 days ago you raised the question of the TOCs' stance on Penalty Fares at stations where the Ticket Office is closed and the available method of payment is a "card only" TVM. Following our meeting we discussed this with our London Scheme Management Group and this is something which (as I believe you know) is being taken forward by London Midland and First Great Western. It is also worth pointing out that this can also become an issue if the cash acceptance mechanism on a TVM fails, in which case the machine may default to "card only" mode on a temporary basis.

I would again like to point out that one of the key drivers for this approach is to reduce the risk of theft: all too often thieves attempting to steal the cash boxes from TVMs cause a great deal of damage, frequently resulting in machine failure. There are two consequences to this. Firstly a TVM which has been vandalised for the contents of its cashbox and has failed in consequence is available to no one, whereas a card-only machine remains available for the majority of users. Secondly, repairing damaged TVMs is an expensive process.

London Midland have identified that the proportion of passengers using cash at TVMs is now down to around 3 in every 20 users. Their introduction of "card only" TVMs has been progressed in close co-operation with the British Transport Police.

Both TOCs advise me that their policy on Penalty Fares is to apply sensible discretion. Where a station is equipped with a "card only" TVM and the ticket office is shut then – if there is no working PERTIS machine at the station - a passenger without a credit or debit card will be deemed to have boarded at a station with no ticket issuing facilities. In such circumstances they will be offered the facility of purchasing a ticket on board and no Penalty Fare will be levied. First Great Western have pointed out that their stations are equipped with PERTIS machines, so in the great majority of cases there will be an opportunity for cash payers to make an initial contribution to their fare before travel.

Clearly if a machine reverts to "card only" mode on a temporary basis due to a fault, the message will be circulated via pagers etc to Authorised Collectors as soon as possible. It is recognised however that details may not reach all Authorised Collectors in "real time". In such circumstances the TOCs stress the importance of listening to what the customer says and applying appropriate discretion. In the event that a Penalty Fare is issued in such circumstances, customers obviously have the right to appeal the Penalty Fares Notice if they consider it has been levied unreasonably.

I trust this reassures you that the relevant TOCs are taking a sensible approach to managing Penalty Fares in such circumstances.

Best regards

Peter Twigg

Head of London Support
ATOC