

---

## Minutes

Agenda item : 4  
Drafted : 22.5.09

---

**Minutes of a meeting of the Fares and Ticketing Committee  
held on 28 April 2008 at 6 Middle Street, London EC1**

### Contents

- 1 Chair's introduction, pre-meeting announcements and apologies for absence**
- 2 Declarations of interest**
- 3 Minutes**
- 4 Matters arising**
- 5 Actions taken**
- 6 Snow day refunds**
- 7 Rail fares : Comparison Between Fares and Ticketing in Great Britain and Continental Europe (FT24)**
- 8 C2C and TfL add-on fares (FT25)**
- 9 Information papers (FT26)**
- 10 Any other business**
- 11 Resolution to move into confidential session**
- 12 Glossary of acronyms and terms**

### Present

#### Members

David Barry, Kevin Davis, Daniel Francis, Sophia Lambert, David Leibling (Chair) and Sharon Grant (London TravelWatch Chair)

#### Guests

Michael Dollin                      Manager Fares, Ticketing and Passenger Benefits Team, Department for Transport (DfT)  
(min. 1 to 11)

Tom Canning      TfL Press Officer, Transport for London (TfL) (min. 1 - 11)

Shashi Verma      Director of Fares and Ticketing, TfL (min. 6 and 7)

Peter Legg                      Ticketing Proposition Manager, TfL (min. 1 - 11)

Lucy Preston                      Ticketing Policy Manager, TfL (min. 1 - 11)

#### Staff

Chief Executive, Committee Administrator, Director, Public Liaison (min. 9) and Senior Committee Administrator

### Minutes

- 1 Chair's introduction, pre-meeting announcements and apologies for absence**

The Chair welcomed members, visitors and public to the meeting. Apologies were received from, Onjali Bodrul and Lorna Reith and the Director, Research and Development.

Apologies were also received from Guy Dangerfield, Passenger Link Manager, Passenger Focus.

The Chair invited members to volunteer as vice-chair, and David Barry was duly elected.

## **2 Declarations of interest**

The Chair of the Committee and Sophia Lambert declared that they each held Freedom passes.

## **3 Minutes**

The minutes of the meeting of this committee held on 2 December 2008 were approved and signed for the record.

## **4 Matters arising**

The following comments were made on the matters arising report (FT 21) :

Regarding Annex B of the report (suggested guidelines on the appointment of Oyster retail agents) members recommended that this should be revised further in liaison with TfL, prior to approval.

**Action : Director, Research and Development**

On Oyster card refunds, the Committee was delighted to note that the 14-day deadline for making claims would be changed to 28 days, bringing TfL in line with the refund practice of Train Operating Companies (TOCs), for which London TravelWatch had been advocating for a long time.

With regard to the eight week period after which Oyster customer data was deleted, Mr Legg explained that this was as agreed with the Information Commissioner. In cases where there were delays by TfL of more than eight weeks in processing refunds (at which point data would be unavailable) he confirmed that Oyster Ticketing & Refunds office would accept a statement from the passenger's online account or a ticket machine, so long as it included the date to which the refund referred. Any such claim would not be rejected where the delay in processing the refund had been due to the failings of TfL. The Chair requested that London TravelWatch Casework team be advised of this.

**Action : Committee Services**

The Committee agreed to discuss Board minute 376 (Oyster Pay As You Go (PAYG) charges for entering stations) at the July meeting.

**Action : Committee Services**

## **5 Action taken (FT22)**

It was noted that throughout the report, references to 2008 should read 2009. Members reminded the secretariat to ensure that all such papers are presented in accessible format with industry terms explained for clarity.

On Annex A (fares changes in the light of Oyster PAYG roll-out to London Network Rail stations), members asked about including zone 1 in charges for orbital journeys which had not actually been taken via zone 1. Mr Legg confirmed that this was a known issue, and that a solution was already being implemented. 'Route validator machines' were being installed at Underground, DLR and London Overground stations (one of the first would be at Rayners Lane). These were Oyster card touch-machines to 'validate' non-zone 1 journeys, thereby avoiding the zone 1 charge. The card reader on the machines would be a different colour to standard Oyster card readers. Members were concerned that this added a layer of complexity for passengers, and pressed for assurance that clear guidelines and signage on using the machines would be put in place.

## **6 Snow day refunds**

The Chair welcomed Mr Verma, who reported that TfL had taken a considered decision to not offer automated refunds for the snow disruption on Monday 2 February 2009.

Refunds for the closure of the bus network on that day had been considered against the fact that neither Oyster PAYG customers nor concessionary card holders were affected. These two groups represented 54% of the market, with most remaining bus passengers using weekly bus passes or travel cards. About 40% of these were sold on Mondays, and so would not have been purchased on the day in question.

In addition, TfL's refunds policy clearly excludes events outside its control. In this case TfL would have needed to initiate a new refunds process. Oyster PAYG cards carried their own value, rather than being linked to a back office system. Therefore there is need to find a way to get money back to the card. As buses are not connected to any back office system initiating a refund on buses is not possible in the same way that is on the Tube. So passengers would have had to apply for a refund cheque. It would cost many times more to make the refund than the value of the refund itself. By comparison, the congestion charge was back-office based, so it was possible to make changes to accounts and implement them relatively quickly.

The automated refunds system used on the Tube normally handles up to 100 refunds a day at nominated stations, but would struggle at 1000. The system as a whole could deal with making 40 to 50,000 refunds, but 6 million (average daily number of TfL passengers across all modes) would not be not possible. A further complication would have been to accurately identify which individuals would have used their card on that day. In the final analysis, TfL stood by its decision.

A member asked whether the upgrade of Oyster would allow refunds to be made more easily in future. Mr Verma replied that it is an aspiration, but in practice is at least two years away. When it was first introduced, Oyster had been a new 'smart card' invention, but in the ten years since new PAYG technology had become available via debit card or mobile phone applications and it

was TfL's intention to incorporate these into its upgrade of the system. Oyster cards would become ITSO (Integrated Transport Smartcard Organisation) compliant in 2011.

The Chair thanked Mr Verma for this explanation, and accepted that London TravelWatch took into account the economic reasons behind TfL's decisions in this case.

## **7 Information papers (FT26)**

This item concerned TfL's decision to charge a £3 deposit on all Oyster cards, and Mr Verma was asked to give some background to this.

Mr Verma explained that at present only Oyster cards loaded with PAYG required a deposit. However TfL's data showed that the highest churn of cards was in the weekly Travelcard market, where 42% were discarded. TfL issued approximately 600,000 cards per month (27 million cards in 7 years of operation), but only about 6.7 millions cards were in use at any one time. It was therefore considered legitimate to change the policy to stop waste. The new policy would start from 17 May. From the same time date, any refunds under the customer charter would be based on the Oyster fare rather than the maximum fare.

A question was asked about recent media reports of hacking into Oyster software; TfL had seemed to make little comment on this, and did not appear to be concerned by security issues. Mr Verma said that it is not possible to clone an Oyster card, but information held on an Oyster card may be copied and pasted back onto the card after the original credit had been used up. This had been the case in the media reports, but the identity of the card had not been broken and the fraud had been quickly identified by the Oyster system because each transaction generates a unique number. Routine algorithms were run on the system each night which find out-of sync transaction numbers and alert engineers to investigate.

This had only occurred once in the history of Oyster card, (April 2008) and no action had been taken, despite the fact that the culprits were known. TfL was not concerned as it was a singular incidence, and it required a high level of technical knowledge to carry out this type of fraud. It would only start to make economic sense if it could become a business, at which point the police would be notified. It was not the most efficient way to skip a fare on the Tube!

## **8 Rail fares : Comparison Between Fares and Ticketing in Great Britain and Continental Europe (FT24)**

The Chair summarised the key aspects of the Passenger Focus research paper, as they affected passengers in London. It was noted that an important factor in much of the debate on the level of fares was the amount of public subsidy.

## **9 C2C and TfL add-on fares (FT25)**

This paper gave information on the issue of different fares being charged by these operators for the same route, an anomaly which had to our attention via Casework. The revenue implications were not large for operators, and members agreed that London TravelWatch should promote the

consumer view of giving the cheapest option to passengers. Discussions on this matter were already underway between the operators and the DfT.

**Action : Director, Public Liaison**

## **10 Any other business**

The Chair thanked the speakers and representatives from the DfT and TfL for coming and reminded members that the next meeting of the Fares and Ticketing Committee will be held on 21 July 2009.

## **11 Resolution to move into confidential session**

The Committee resolved, under section 15(b) of schedule 18 of the Greater London Authority Act 1999, that, by reason of the confidential nature of the following items, it was desirable in the public interest that the public should be excluded from the meeting.

In private session members considered the confidential minutes for the meeting held on 2 December 2008, discussed the roll out of Oyster PAYG on to national rail, and received a presentation from the Public Carriage Office (PCO) on taxi fares structures.

## **12 Glossary**

|      |                                     |
|------|-------------------------------------|
| TfL  | Transport for London                |
| TOC  | Train Operating Company             |
| C2C  | Essex-based train operating company |
| PAYG | Pay As You Go (Oyster cards)        |
| DLR  | Docklands Light Railway             |