

# Public Transport Ticketing Block Exemption Review



1. Do you agree with renewing the Block Exemption?

The Competition and Markets Authority should recommend to the Secretary of State renewal of the public transport ticketing scheme's block exemption.

There are ticketing schemes that may not continue without renewal of the present arrangements and further developments are unlikely to occur due to the risk of infringing competition law.

2. Do you consider the continuation of the Block Exemption to be necessary to deliver integrated ticketing schemes that are beneficial to consumers?

The Block Exemption provides reassurance that agreements can be entered into to offer multi operator tickets and is the most appropriate mechanism.

Public transport users seek greater integrated schemes such as offered by the Oystercard product in London. Passengers want one ticket product to undertake a complete journey across different modes of transport. The Block Exemption enables greater travel opportunities, increased flexibility and therefore increased patronage. In the absence of the Block Exemption, a number of current ticketing schemes could cease and there are no alternative arrangements to facilitate joint ticketing schemes. Despite the Block Exemption, some operators refuse to participate in schemes.

3. Would consumer choice, in particular the variability and suitability of ticketing options, be significantly reduced without the Block Exemption?

Without the Block Exemption, passenger transport users will be more restricted to a single operator ticket offer. Passengers consequently benefit from the increased range of products that can be marketed which is particularly important with a free market approach to bus services, and would like to see more integrated tickets provided. Operators would be unlikely to participate in such schemes due to enforcement of competition law. Without the exemption, passengers would either have to buy individual operator tickets or restrict the choice of journeys where more than one operator

provides a service.

4. If the Block Exemption were not renewed, how would that influence your operations? Please provide examples and an indication of the likely costs to your business and the potential implications for the transport sector more widely.

It would be more difficult to market a public transport integrated network as ticketing is a crucial part of the encouragement to travel. The Block Exemption can encourage operators to enter the market, providing increased choice for passengers. Renewal is necessary to maintain current tickets on offer.

5. Have there been any adverse consequences from the application of the Block Exemption?

There is no evidence of any adverse impact arising from the current Block Exemption. In some cases this has still not delivered multi operator ticketing.

6. Has the current Block Exemption prevented any developments in the last five years that could have benefited consumers?

There is no evidence the Block Exemption has prevented developments to benefit users.

7. Do you encounter any difficulties in applying the Block Exemption rules? Please explain and provide specific examples.

Pricing of multi operator ticketing is an issue, as operators can seek a premium price to protect sales of their own products. In some cases, a premium can be justified because of the increased travel opportunities offered. However, there are circumstances where the establishment of schemes has failed due to the pricing mechanism operators seek. Multi operator tickets can only be considered as a unique product. Revised guidance will assist in providing clarification and ensure proposed schemes are compliant. There may be reluctance by bus operators to accept schemes open to all operators.

8. We would welcome views on whether a longer duration for the Block Exemption would be desirable. Please outline the reasons for your answer, highlighting any costs implications and associated risks of your preferred options.

The proposal to extend the Block Exemption until 28 February 2026 is supported. This provides certainty that ticketing schemes can be developed and continued. New technologies and products can be developed and may require clarification that they comply with the arrangements. Legislation enacted in the Buses Bill may result in the need for a review. A review of the arrangements should be undertaken 2 years before the extension date to ensure continuity.

9. Do you agree with the assessment outlined in Chapter 5 of this consultation? Revenue apportionment to operators can be complex and lead to multi operator schemes not being implemented. However, if a nationally determined mechanism is specified, this will discourage participation and not reflect the value of the ticket to the operator and passenger. Individual scheme revenue negotiations are the only realistic way of implementing schemes, particularly as schemes can be multimodal. Any requirement for revenue to lie where it falls for a multi operator individual ticket effectively limits the opportunity for inter operator ticketing. The removal of Articles 15 and 16 of the Public Transport Ticketing Schemes Block Exemption would be welcomed. Clarification on potential methods may assist, which must be administratively simple to encourage participation. As electronic ticketing systems become more widespread, revenue apportionment could potentially be more robust.
10. We consider that it is possible for new ticketing technology and products to be accommodated within the current Block Exemption. Have there been any developments in the last five years, or are expected in the next five years, that would require a change in the terms of the Block Exemption? Electronic means of ticketing will increase, with the ability to offer a wider range of products, and the Block Exemption needs to recognise potential developments. Ticket products will be offered on electronic devices rather than with a specific ticket for travel.
11. Please provide any other information that you consider relevant for the CMA's review of the Block Exemption. The Block Exemption should be sufficiently flexible to accommodate new ticket formats and products.