

## **Written evidence submitted by Virgin Trains Ticketing (RRB0002)**

### **Response to the Draft Rail Reform Bill: Virgin Trains Ticketing**

*Leveraging private sector innovation to benefit rail passengers at the rail 'shop window'*

Buying a train ticket is the first interaction any rail passenger has with the network and getting the rail 'shop window' right is crucial if we are going to boost rail ridership in the UK.

VTT therefore welcomes the importance the draft Rail Reform Bill places on the proposed Integrated Rail Body (IRB) leveraging private sector innovation to benefit customers. Independent retailers already offer a good example of how private sector investment can be leveraged to improve passenger experience and customer satisfaction, whilst increasing revenues and reducing costs. These are the companies behind developments like barcode tickets, split tickets and 'Pay As You Go' technology. Technology that is now used across all online retail platforms for the benefit of all passengers. At Virgin Trains Ticketing, our purpose is to encourage new customers to travel by train, by engaging millions of customers from across the Virgin Group to earn and spend Virgin Points, helping them to save money on train travel. Since summer 2023 our customers have already saved more than £400,000.

The provision in the draft Rail Reform Bill that the IRB 'must prepare a report setting out what it has done during each financial year to increase the involvement of businesses in the private sector in the provision of railway services' is a welcome measure. As part of this, we would like to see the IRB ensure that rail retail is not overlooked as part of this process and that it promotes a retail environment that is an attractive investment opportunity, embraces competition, not limits it, and is open to new entrants, as well as the big established retailers.

The Department for Transport published its 'Plan for Rail: legislative changes to implement rail reform – consultation outcome' document at the same time as the draft Rail Reform Bill. We were pleased to see recognition that

*'independent retailers add significant value and innovation to the retail marketplace'* and that the IRB should encourage competition, to include *'changes to systems to make it easier for new retailers to enter the market.'* The document envisages that the proposed IRB licence should include *'requirements on [the IRB] in relation to the customer offer, which could include how [the IRB] will engage with retailers.'* VTT supports this provision, but it must lead to a framework that levels the playing field between all retailers and promotes competition and growth, ultimately increasing consumer choice.

Unfortunately, the current policy environment doesn't encourage independent retailers to thrive – particularly smaller retailers and new entrants. VTT supports the provisions in the draft Bill and the principles outlined in the consultation if they help to facilitate a vibrant rail retailing market that will boost passenger numbers and improve passenger experience.

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