

Successful Revenue Protection The London Underground Experience



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Fare evasion is not a new phenomenon

Fare evasion on London Underground is contrary to the Regulation of Railways Act 1889, and the London Regional Transport Railways Byelaws (LRT Byelaws)



So what was the problem in the 1990's?

- London Underground were failing to collect £45m of customer revenue per annum in the early 1990's
- Transport network already suffering due to the lack of investment in infrastructure
- Train failures, Signal failures, Assets not working
- Low staff morale, not motivated to collect revenue
- Stations not all using technology to deter evaders
- Legislation not in place to help enforcement by transit operators

The size of the task

- Three and a half million passenger journeys a day.
- There are 11 lines covering 402km of routes.
- Serving 275 stations.
- In the peak hours, more than 500 trains are in operation.
- 250 dedicated Revenue Inspectors to cover a 20 hour traffic day, 7 days each week
- 3,000 Gate line staff for support

How did the Underground address the issue?

- The London Regional Transport (Penalty Fares) Act 1992 introduced in April 1994
- Extensive market research to understand why customers evaded fares
- Change of staff culture and behaviour
- Fully gated system
- Introduction of the Oyster Card
- Fares Policy Changes

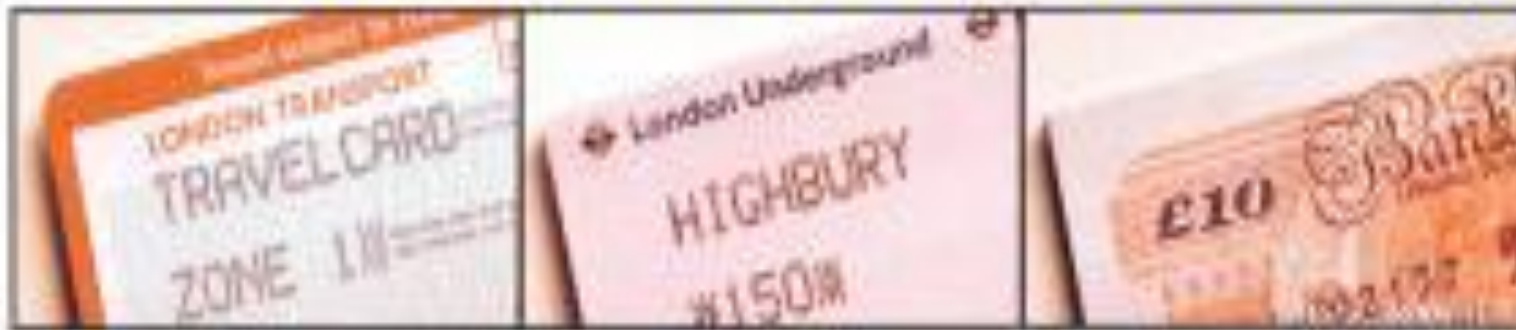
The London Regional Transport (Penalty Fares) Act 1992

Penalty fares on trains – Introduced in April 1994

- If a person travelling on a train service fails to produce a fare ticket or a general travel authority on being required to do so by an authorised person, he shall be liable to pay a penalty fare if required to do so by an authorised person.
- A person shall not be liable to pay a penalty fare under this section if at the time when and the station where he started to travel on the train service there were no facilities available for the sale of the necessary fare ticket for his journey.

Penalty Fares Act - Customer education campaign

From 3 April the inspector will want to see one of the following:



Pay up front, or pay the penalty.

Customer education campaign



There's nothing uniform about our ticket inspectors...
... except their I.D. cards!

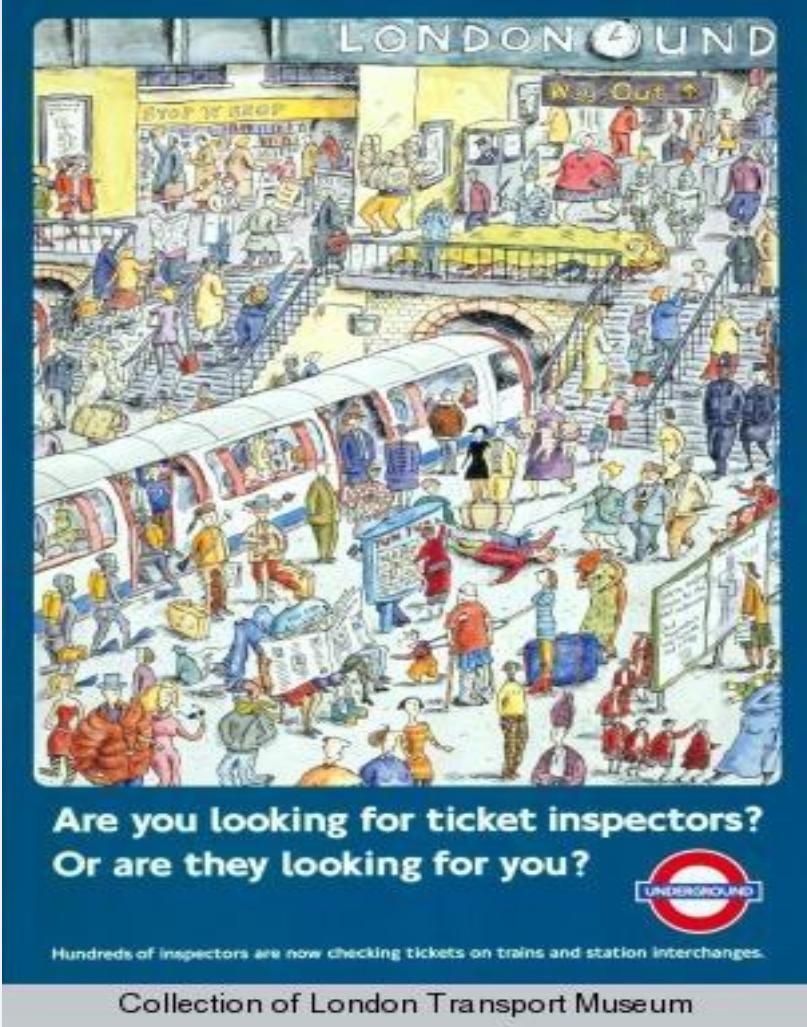
We are continuing our successful campaign to crack down on fare dodgers and more bus inspectors, many in plain clothes, will be checking tickets on buses.

All officials, whether in plain clothes or uniform, have the right under the Public Service Vehicle Regulations to inspect a passenger's ticket, pass or other authority to travel. They will identify themselves with the I.D. card shown opposite. Please show your ticket when requested to do so.

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Customer education campaign

Subtle messages to make
Customers aware of the
Inspector



The impact of the Penalty Fares Act

- Zero tolerance policy introduced by London Underground
- Everybody caught was fined – No exceptions
- Appeals process very slow and not very successful in percentage terms
- Major customer education campaign meant that the customer got the message very quickly
- Fare Evasion dropped from 9% to 2.5%
- Not popular with the London public where genuine mistakes were made
- Media pressure intense and the inevitable happened
- Policy relaxed by the Mayor and Fare Evasion rises!

Market Research – Why do customers evade fares?

- 1,562 questionnaires returned
- More than 15% had evaded in the three months prior to survey
- 91% said evasion was unacceptable behaviour
- 38% of all evaders said better staff performance would deter them from evading
- 38% of all respondents had never had a ticket inspection in the previous 12 months at a station
- 64% had never has their ticket checked on a train in the previous 12 months
- 27% of all evaders are under 19 years of age

Market Research – Types of evaders

Die Hard Evader

- These evaders are highly skilled and will go out of their way to beat the system
- It is unlikely that you will ever stop them completely
- They will jump over gates, crawl underneath or follow another customer on their coat tail!
- Purchases child tickets

Market Research – Types of evaders

Passive Evader

- They will normally buy a ticket, but think it is the responsibility of the transit operator to provide easy access to ticket purchase and motivated staff to ensure that all customers have one.
- If vending machines are not in service and staff are not enforcing, they take a chance and ride the system hoping not to get caught

Changing the staff culture and behaviour

- Revenue Services Team set up to take overall responsibility for Revenue on the Underground
- Underground management structure changed reducing 11 line management teams to 3 service delivery units. (SDU's)
- Clearly defined targets for SDU managers
- Cascaded to all staff on each SDU via the regular performance and development reviews
- Training refreshers for all revenue teams and gate line staff
- Conflict management and assault avoidance training
- Pocket manuals for staff
- Enhanced customer education activity

Case study – North London Railway

- Transferred by Mayor into Transport for London control in November 2007
- Rebranded as London Overground
- Evasion stood at 17% on transfer
- Major upgrade of infrastructure
- Ticket gates and validation devices installed at all locations
- Oyster card integrated on all devices including third party vending machines
- Additional staffing at all locations
- Evasion reduced to 3% by November 2008
- Huge rise in revenue and a significant return on investment

So, what difference has all this made?

- Fare Evasion still exists, but is now at a level that is reasonable. (still room for improvement)
- Staff are very proficient at maintaining gate control
- Line managers are very focussed on the importance of revenue collection and protection.
- Targets are still set for all staff and they are measured
- Safety is the only target with a higher ranking
- London Underground will generate revenue in excess of £1.7bn this year
- Evasion is measured at 2.5% currently for London Underground

Thank you for listening

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