

## **Compensation briefing**

### **Introduction of Delay/Repay**

"Delay/Repay" is the name used to describe the system of compensation based on delays to individual journeys which is being introduced as franchises are replaced, in place of poor performance discounts for season tickets valid between 1 month and 1 year (longer term season tickets). Compensation based on delays to individual journeys had previously only applied to passengers with single, return and weekly season tickets.

The change to Delay/Repay was made against a background of improving train performance which had already resulted in many Train Operating Companies (TOCs) no longer providing discounts, in order to provide compensation for holders of longer term season tickets which was more closely linked with the journey experienced.

Delay/Repay has been introduced on a number of franchises let by the Department for Transport (DfT): London Midland, CrossCountry, East Coast, East Midlands and Southern.

### **Explanation of Delay/Repay**

Under the Delay/Repay system, all passengers are entitled to claim compensation for each delay of more than 30 minutes which they experience, whatever the cause. 50 per cent compensation of the single fare is available for delays of 30 to 59 minutes and 100 per cent of the single fare for delays of more than 60 minutes. For delays of more than 2 hours, 100 per cent of the return fare is available. The entitlement for holders of season tickets is calculated using the proportional daily cost of the season ticket.

### **Discount system**

Where Delay/Repay has been introduced, it has replaced the system of automatic discounts (usually 5%) on renewal if average punctuality or reliability for groups of services over the previous year has fallen below pre set trigger levels. To be eligible to receive a discount, renewal has to take place within 28 days and be for the same journey, and the same or a shorter period of time. Where both punctuality or reliability were below trigger, the discount is doubled.

Punctuality is measured as the proportion of trains arriving at their destination within 5 or 10 minutes of scheduled time. Long distance trains are measured within 10 minutes of scheduled time whilst other trains are measured within 5 minutes. Reliability is measured as the proportion of planned trains actually run.

In general, punctuality is measured on Mondays-Saturdays, except in London and the South East where it is measured in Monday-Friday peak periods only. In general, reliability is measured on all trains. Trains which are delayed or do not run due to factors circumstances outside the control of the rail industry e.g. trespass, vandalism or theft, are excluded from the performance statistics.

Operators could, at their discretion also provide extensions or refunds ("void days"), when overall performance for groups of services on a particular day was very poor due to factors within rail control. The performance on void days was excluded from the statistics.

With improved performance, discounts had already ceased on many Train Operating Company service groups/franchises: 14 of the 54 TOC Service Groups where the discount system applies, were in trigger in Period 1 of 2007/08 (1 April – 27 April 2007). Of these, 11 were in trigger for punctuality, 2 for reliability and 1 for both of these. Void Days, which were discretionary, had also ceased on most TOCs.

Many longer term season ticket holders therefore had no entitlement to compensation despite still experiencing the occasional significant delay. By providing an entitlement to claim compensation for these delays, Delay/Repay is a significant improvement for these passengers.

Performance has continued to improve and only 4 of the 42 TOC Service Groups where the discount system applies were in trigger in Period 10 of 2009/10 (13 December 2009 – 9 January 2010).

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