



Transport Committee

House of Commons, London, SW1A 0AA

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Rt Hon. Grant Shapps MP
Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Rd
London
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24 April 2020

Dear Grant,

Covid-19: Fair refunds for season ticket holders

I am writing on behalf of the Transport Committee to raise concerns about the fairness of the current policy on refunds for rail season ticket holders in light of the coronavirus outbreak, and to urge you to change policy. We raised this issue with you in our private meeting on 25 March and separately with Minister of State, Chris Heaton-Harris MP, on 7 April.

Season ticket refunds are not calculated on a pro-rata basis because of the discounted rates that apply to them. You need three days left on a weekly ticket to get any money back, or least seven days left on a monthly ticket. After 40 weeks, or about 10 months, there is no refund value on an annual season ticket at all. The discount on a season ticket means that in the normal course of events, the holder receives 12 weeks' 'free travel'.

In the current circumstances we are particularly concerned about the fairness of season ticket refunds where the ticket is close to its expiry date. So, for example:

Someone who bought a season ticket at the beginning of June 2019 would have had about 10 weeks' left when the lockdown began in March 2020. Let's say it cost £6,000. Under the current arrangements they would not get a penny back even though in other circumstances they would have been able to carry on travelling for another 10 weeks. If this was based on a pro-rata refund, the passenger could expect to receive a £1,000 refund.

There is also a £10 administration charge to obtain a refund.

We understand the rationale that in ordinary circumstances a rail season ticket holder, who may choose to move house or change job, should not receive a pro-rata refund (i.e. calculated on the basis of 52 weeks' travel, rather than 40). Under the current circumstances, however, passengers are sensibly heeding the Government's advice to work from home where possible, in order to protect the NHS and save lives.

In these circumstances, season ticket holders approaching their expiry date are not able to benefit from the 12 weeks' 'free travel' they would have otherwise had, as this is not refunded. It cannot be fair for these passengers, through no fault of their own,



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to lose out financially because they are heeding the Government's advice. I would hope that the Government, in spending a relatively small amount of money, could appropriately compensate responsible commuters for doing the right thing for our country in following Government advice; to stay home, protect the NHS and save lives.

We therefore urge the Department and industry, as a matter of principle and fairness, to take the following action during the current circumstances:

- Allow rail season ticket holders to receive full, pro-rata refunds for the time remaining on their tickets;
- Allow season ticket holders to "pause" their ticket while the Government's advice to work from home applies and resume them at a later date; and
- Waive the administration fee for refunds.

We understand that you have previously stated, including with us in our private meeting on 25 March, that refunds ought to be based on a pro rata basis, so we hope this change will fit the intended policy.

We have already requested further written information from the Department, following the evidence session on 7 April, to explain the policy on rail season ticket refunds and asked for a response by 30 April. We would be grateful if you could respond to this letter as part of that submission.

Yours sincerely,

Huw Merriman MP
Chair of the Transport Committee