

The Consumer Voice in Europe

PROPOSAL FOR A EUROPEAN YEAR OF RAIL 2021

BEUC's proposals to move towards a consumer-oriented rail system



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EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union

Ref: BEUC-X-2020-041 - 26/05/2020

Why it matters for consumers?

European travelers are increasingly concerned about the environment and would like to benefit from more sustainable transport alternatives than planes or private cars. To achieve the objectives of the "European Green deal" to diminish of 90% of the transport emissions by 2050, rail can be a *game changer* and must be promoted for short and long-distance mobility. However, currently the number of train users is still low for various reasons: rail passengers do not always enjoy sufficient protection for their entire journey and have difficulties to compare and book offers. This situation led to a lack of confidence in rail. The proposal to make 2021 the year of the rail, should be an opportunity to create a consumer-oriented rail system that better match users' needs to make rail a real option for travelers.

Summary

BEUC welcomes the European Commission's proposal to make 2021 'The European Year of Rail'¹.

Rail is key to enable citizens to change their travel habits, to shift from individual cars and planes and thus significantly reduce greenhouse emissions in the EU and achieve the objectives set out in the EU Green Deal. Therefore, BEUC supports the European Commission's overall objective of "boosting" this mode of transport.

However, the outlined proposal in the Commission's consultation puts too much focus on communication and raising awareness but does not sufficiently cover other key features of rail. In order to make rail travel more "attractive" for daily trips as well as for long-distance and cross-border travel, it will be important to strengthen passengers' rights, make passengers aware about such protections, as well as to make rail transport more convenient, affordable and with an increased quality of service. Thus, to be truly effective and significantly increase the share of rail passengers, the proposal will have to put the user at the centre of the project and bring about regulatory changes which will really make a difference for passengers.

Finally, the COVID-19 crisis that followed this proposal created an additional and unexpected challenges to the attractiveness of trains that should be addressed. The Commission's 'Tourism and Transport Package'² is thus welcome as it proposed clear measures for a progressive relaunch of rail passenger transport³. To avoid a massive shift to individual cars, and so that consumers regain full confidence and consider trains as a safe means of transport, it would be necessary to ensure that the preventive measures recommended (i.e. encouraging disinfection of wagons, social distancing, provision of masks to users etc.) are implemented effectively by railway operators.

The crisis has also highlighted the lack of enforcement of the Rail Passenger Rights Regulation, with some railway companies violating passengers' right to monetary reimbursement by only offering them vouchers. Therefore, BEUC welcomes the European

¹ <https://ec.europa.eu/transport/sites/transport/files/legislation/com20200078.pdf>

² https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_870

³ https://ec.europa.eu/info/files/covid-19-guidelines-progressive-restoration-transport-services-and-connectivity_en

Commission's recommendation⁴ strongly recalling that passengers' right to refunds should be maintained and that vouchers should only be voluntary, insolvency protected and attractive for consumers.

This paper outlines BEUC's suggestions to make 2021 European Year of Rail a success and encourage passengers to rely on this means of transport.

1. Strengthening passenger trust on rail transport by introducing robust passenger rights

In order to encourage passengers to use the train, it is essential that they have confidence in this mode of transport. No confidence, no shift to rail. For BEUC, this means that passengers should have strong rights. Passengers should be more aware of these rights and these rights should be easily enforceable.

Also, and for reasons of consistency, **the ongoing reform of the Rail Passenger Rights Regulation**⁵, not mentioned in the proposal, will have to be scrutinised by the Commission to send a consistent message to European passengers in the context of this Year of Rail proposal.

Indeed, although the current Rail Passenger Rights Regulation has contributed to improving the protection of rail passengers when confronted with disruptions in their journeys, the rules fall short in protecting consumers in a number of areas. For BEUC, the shortcomings mentioned below will have to be corrected by the reform, to promote rail.

1.1. The limited application of the Regulation due to national exemptions

One of the objectives of the Year of Rail proposal is to promote rail nationally and to "highlight the European, cross boarder dimension of rail". BEUC supports this view.

However, currently, passengers face too many national exemptions. In practice, this means that 64% of trains are not covered by the EU Regulation. Such a situation is necessarily detrimental. How can passengers be convinced to take the train when they have only a one in three chance to be protected by EU law in case of travel disruption?

To effectively promote rail, it is essential that these exemptions are removed or significantly reduced in the current review and that the proposed *force majeure* clause is scrapped, as it would further diminish the protection of passengers.

To build confidence in rail transport, passenger rights should apply to all railway services as a principle.

⁴https://ec.europa.eu/info/files/covid-19-recommendation-vouchers-offered-passengers-and-travellers-alternative-reimbursement-cancelled-package-travel-and-transport-services_en

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52017PC0548>

1.2. Passenger rights should be secured all along consumer journeys

One of the main criteria for passengers to use a means of transport is safety and to be protected for the length of their journey.

Unfortunately, at present this is not the case. The use of so called 'through-tickets', protecting passengers for the length of their journey, is extremely limited as railway operators tend to sell tickets for specific segments of a journey. By doing so, passengers are very often not entitled to re-routing, assistance or compensation in case of travel disruption.

This is frustrating for passengers wishing to use a more sustainable means of transport such as trains. This could mean passengers consider the train as unreliable and remain instead on traditional, more polluting means of transport.

In order to effectively encourage the shift to rail, passengers should always be protected during their combined journeys, for sub-urban and regional trains, but also for long-distance and cross-border services.

More protection and legal certainty would definitely 'boost' the number of passengers using rail services in the coming years and be in line with the Year of Rail objectives. The current review is a clear way to bring about this change

1.3. More information, simple complaint-handling and better enforcement of people's rights are needed

One of the key objectives of this awareness-raising campaign should be to better inform rail passengers about their rights. Indeed, as highlighted by the latest Eurobarometer survey on passenger rights, only one in ten people are aware of the existence of EU rail passenger rights⁶.

Moreover, for BEUC, encouraging the use of national and cross-border rail services is essential to achieve the objectives of the Green Deal and to promote more sustainable mobility. However, the objective of developing cross-border rail transport must go hand in hand with the creation of an effective enforcement system for passengers!

In practice, this means that passengers need to be better informed about their rights in the event of travel disruption, that operators' complaint handling procedures need to be clear, fast and simple and that consumers should benefit from effective means of resolving their disputes amicably via binding alternative dispute resolution schemes and national enforcement bodies⁷.

Being clearly and quickly informed about your rights and being able to quickly and effectively enforce them is essential for consumers to switch to rail.

These shortcomings may be detrimental to the development of the massive use of rail. The review of the Rail Passenger Rights Regulation is a first real opportunity not to be missed to send a strong political signal to citizens before the 2021 Year of Rail.

⁶ Special Eurobarometer 485 – Wave EB91.1 – Kantar, February/March 2019, p.7.

⁷ 55% of respondents to the Eurobarometers survey above-mentioned were dissatisfied with the way transport companies informed them about complaints procedure at the time of the disruption. Moreover, among the reasons given by passenger for not complaining to the operator, 45% of passengers consider that it is useless to complain, 16% that the complaint process was too cumbersome and 9% that they did not know how and where to complain.

We therefore encourage the Commission, for the sake of consistency, to do its utmost to ensure that the upcoming triologue does not end in a reduction of current passenger rights.

The ongoing negotiations must strengthen rail passenger rights, not reduce them.

2. An opportunity to make rail more convenient and attractive for passengers

The 2021 Year of the Rail must also be an opportunity to look further, to develop and encourage alternatives to private car ownership and the use of aircraft. This can be done by proposing legislative initiatives in the **areas of single ticketing, sharing of data and making cleaner transport alternatives more convenient and affordable for EU citizens.**

The European Commission should also use the proposal to advocate for easier market access for independent railway companies and facilitate the conditions to create stronger competition between railway operators, which is a market that is heading towards concentration due to high entry costs.

2.1. Make integrated ticketing the norm

Investment in public transport and multimodal solutions should be increased, and further efforts should be made to improve consumer convenience when travelling by train and in multimodal transport.

For instance, passengers who choose more environmentally friendly solutions such as multimodal travel – i.e. by combining one train and one plane instead of two flights - do not enjoy continuous protection throughout their journey. To remedy this situation, the Commission should draft new legislation that better protects EU passengers using multimodal transport and gives them legal certainty about their rights. This would encourage the shift to rail and sustainable mobility in general.

Furthermore, the Year of Rail proposal states that "accelerated innovation will allow rail to realise its full potential". BEUC agrees with the potential of innovation and digitalisation to develop single ticketing, to make it easier for consumers and to increase competition between operators.

In practice, in order to make cleaner transport such as rail more convenient for passengers, **the European Commission shall also enable the introduction of integrated EU-wide ticketing and payment systems**, whereby a consumer could book a multimodal journey involving different modes of transport and operators **via a single platform.**

However, **while innovation and digital can certainly help in making single ticketing easier, this is not the only criteria to consider, and regulatory changes are needed.** Indeed, some legislatives and commercial barriers currently in place prevent third parties from selling single tickets, to have real competition between railway operators and, therefore an increase the quality of services for passengers, which is essential to make the train more attractive and affordable.

In a nutshell, **actions are needed in the areas of licensing, distribution agreements and booking systems.** Indeed, very often where interoperable and integrated system exist, the technology of these systems is proprietary and cannot be accessed by third party providers, which of course limit the deployment of single ticketing. Moreover, agreement

on revenue sharing between operators requires a complex decisional process, the Commission could also provide guidelines to encourage and guide operators to facilitate the conclusion of agreements.

2.2. Data sharing should be promoted to allow the development of innovative services to make rail more attractive to consumers

Allowing consumers/passengers to easily plan their journeys via a single transaction by buying, for example, a single integrated ticket for connecting trains or multimodal journeys would be a real step forward for European passengers.

However, this can only be achieved if the different stakeholders such as railway operators and ticket vendors have access to essential data to allow combined bookings (with different operators or modes of transport).

Currently, a limited number of ticket vendors does exist. They do not have access to the same data sets, however. In practice, **this is detrimental to passengers** because depending on whether consumers buy their tickets on the railway operator's website or via a ticket vendor, **they do not have access to the same information about their journeys in a single point of access.** This can be from static information such as train departure platform number and timetables or dynamic information such as travel disruption information.

This lack of access to essential static and dynamic information, in addition to creating differences in treatment between passengers, is detrimental to the development of rail and to combined transport. For example, not being warned in the event of travel disruptions is likely to discourage passengers from using cleaner means of transport as they will be considered unreliable.

The Year of Rail proposal, **would therefore be a unique opportunity to go further, to propose that a minimum set of static and dynamic information be available to all stakeholders** such as for instance, to provide with dynamic fare data, improve interoperability, develop common Application Programming Interface (APIs) and to create new distribution models. Such non-discriminatory access would be used to develop new ticketing and payment systems and, in the end, develop rail and alternative means of transport.

To do so, the Commission could for example reopen the 1926/2017 delegated regulation of the Intelligent Transport Systems (ITS) Directive or even consider new legislation on integrated ticketing and sharing of data in the context of the implementation of the European Commission's Data Strategy.

Last but not least, **a focus should be put during this 'year of rail' on the affordability of train tickets to make rail more attractive for Europeans.** Nowadays, more sustainable means of transport are often more expensive than polluting ones. As a result of these wrong price signals, many consumers opt for more unsustainable modes of transport (like airplanes) for trips which could/can also be covered by train. Therefore, the Year of Rail should also be an opportunity to explore measures to make rail transport more accessible for passengers while the price of the most polluting modes should better reflect the impact they have on the environment (i.e. kerosene taxation, a reduction in the VAT rate on rail transport accompanied by measures to ensure an effective reduction in ticket prices and the maintenance of a quality network).

Other solutions could also be encouraged to promote rail transport, such as associate benefits for consumers. For example, a train ticket holder could benefit from discounts on soft/smart mobility modes such bicycles, scooters, or urban transport. Such measures would not only promote rail but also other sustainable modes of transport.

To make rail services more attractive and to achieve a better match between passengers' needs and expectations and the services offered by railway operators, **the Commission should encourage Member States to set up independent national bodies to monitor rail operators.** These independent 'watchdogs' would make it possible, thanks to a factual work (surveys, statistics, etc.), to report neutrally on the quality of rail services and to suggest proposals for improvement. Such bodies have already been set up successfully in Denmark⁸ and the UK⁹.

3. Conclusions

BEUC supports the proposal to make 2021 the Year of Rail. Promoting train journeys can play a pivotal role in achieving the goals of the European Green Deal. For BEUC this proposal is a real opportunity which should be fully exploited.

A real focus should be put on:

- **Creating a robust set of passenger rights:** the current review of the Rail passenger rights Regulation is a first real opportunity to send a strong signal to European consumers by strengthening their rights;
- **Providing information on such passenger rights**, which is currently largely insufficient;
- **Improving the quality and the affordability** of rail services in the EU;
- **Creating the conditions to enhance competition** between railway operators and facilitate easier market access for independent railway companies;
- **Promoting and encouraging the development of nights trains** as a real and attractive alternative to planes for national and cross-border long distance journeys;
- **Encourage Member States to set up independent and long-term funded bodies** to monitor the quality of services of railway operators and to propose improvements to the sector;
- **Establishing a minimum data set of static and dynamic data to be shared** and circulated between transport operators, between transport modes and ticket vendors (i.e. new mobility platform etc.);
- 2021 should be **an opportunity to bring about regulatory changes creating market conditions for innovative services** to emerge allowing consumers to enjoy rail journeys as a real alternative to flights and individual cars (i.e. single ticketing etc.).

BEUC will soon publish a vision paper on sustainable mobility where these issues will be explored further. We remain at your disposal if you have any further questions.

⁸ See Passagerpulsen in Denmark (<https://passagerpulsen.taenk.dk>).

⁹ See Transport Focus in the UK (<https://www.transportfocus.org.uk>).

Complementary documents

- [BEUC's letter](#) to Commissioner Vălean – 'The consumer mission letter for transport'.
- [BEUC's recommendations for trilogues](#) on the review of the Rail Passenger Rights Regulation.

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This publication is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).

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