Rail Fares Index (January 2020)

Publication date: 19 May 2020
Next Publication date: April 2021

Background

This annual release contains information on changes in rail fares. This covers:

- Average change in price of regulated/unregulated fares by sector (1995 to 2020) - Table 1.81

- Average change in price of fares by ticket type and sector (2004 to 2020) - Table 1.8

Coverage: Great Britain

**Latest Year:** January 2020 (change since January 2019)

Sources:

- LENNON ticketing and revenue database
- Rail Delivery Group
- Office for National Statistics

Rail fares in Great Britain increased by 2.4% in January 2020, compared with a 2.7% rise in the January 2020 Retail Prices Index (RPI). This is the fourth time in the last five years that fares have risen below the January RPI inflation rate.

> The Retail Prices Index measures the change in price of a sample of retail goods and services. We use it as a comparison for rail fares as it is used by government (July RPI) to cap changes in regulated rail fares.

Percentage change in rail fares and 'all items' RPI, January 2020
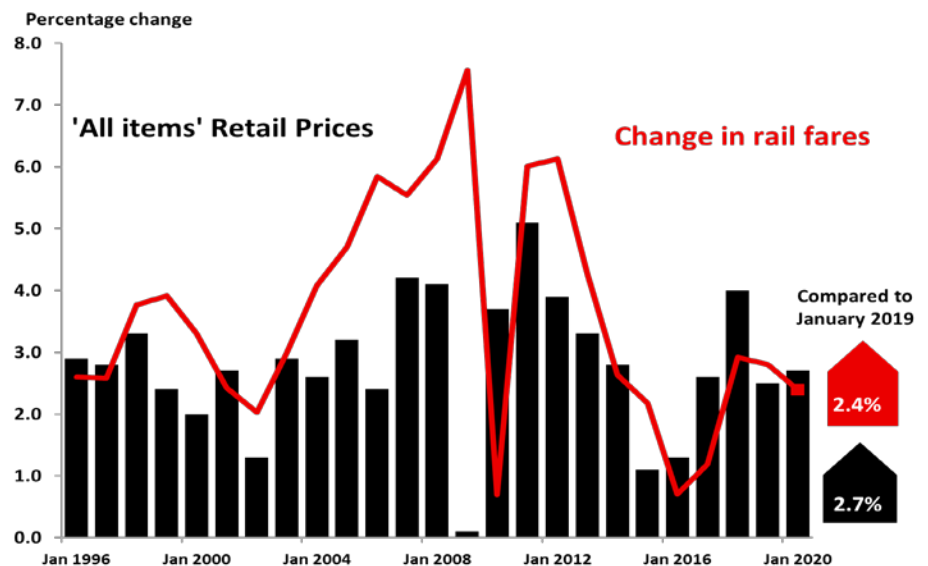
The average change in the price of regulated fares between January 2019 and January 2020 was 2.7%. This is below the cap set by government of 2.8% based on the July 2019 increase in RPI as detailed in the ONS inflation and price indices.

The ticket type with the largest increase in price was Super Off-Peak fares, which increased by 2.8%.
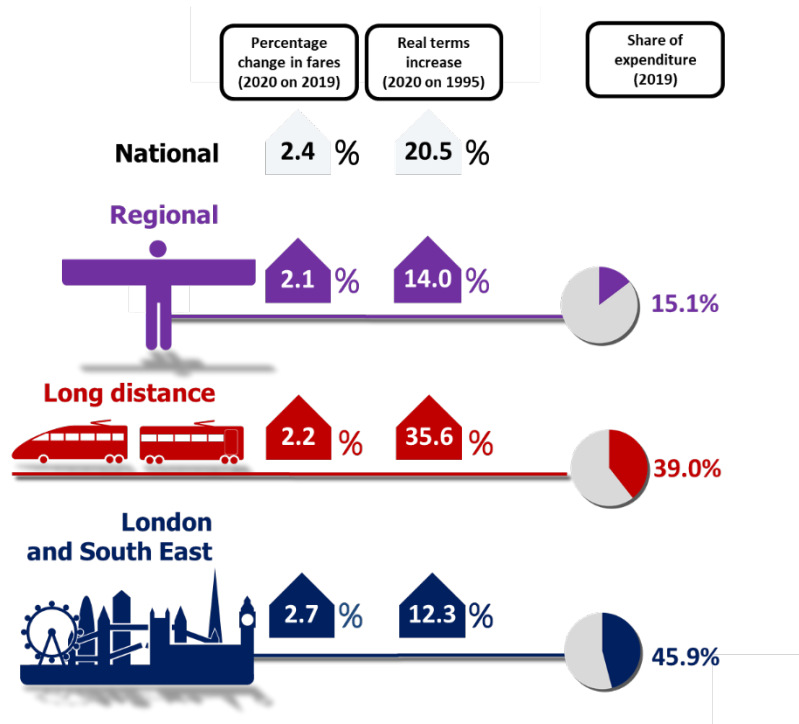
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1. Rail Fares Index

Figure 1.01: Revenue share and percentage change in rail fares, National and sector

Regional sector includes Scotland.

The London and South East sector, which holds the largest market share of revenue among the three sectors, recorded the highest average price increase, of 2.7%. The main drivers within this sector (Anytime and Season) increased by 2.7% and 2.8% respectively.

The Regional sector recorded the lowest increase of 2.1%. Anytime and Off Peak tickets account for almost two-thirds of revenue within the sector, and recorded increases of 2.5% and 2.3% respectively. The cost of Advance tickets increased by 0.2% which helped to offset the higher increases on other ticket types.
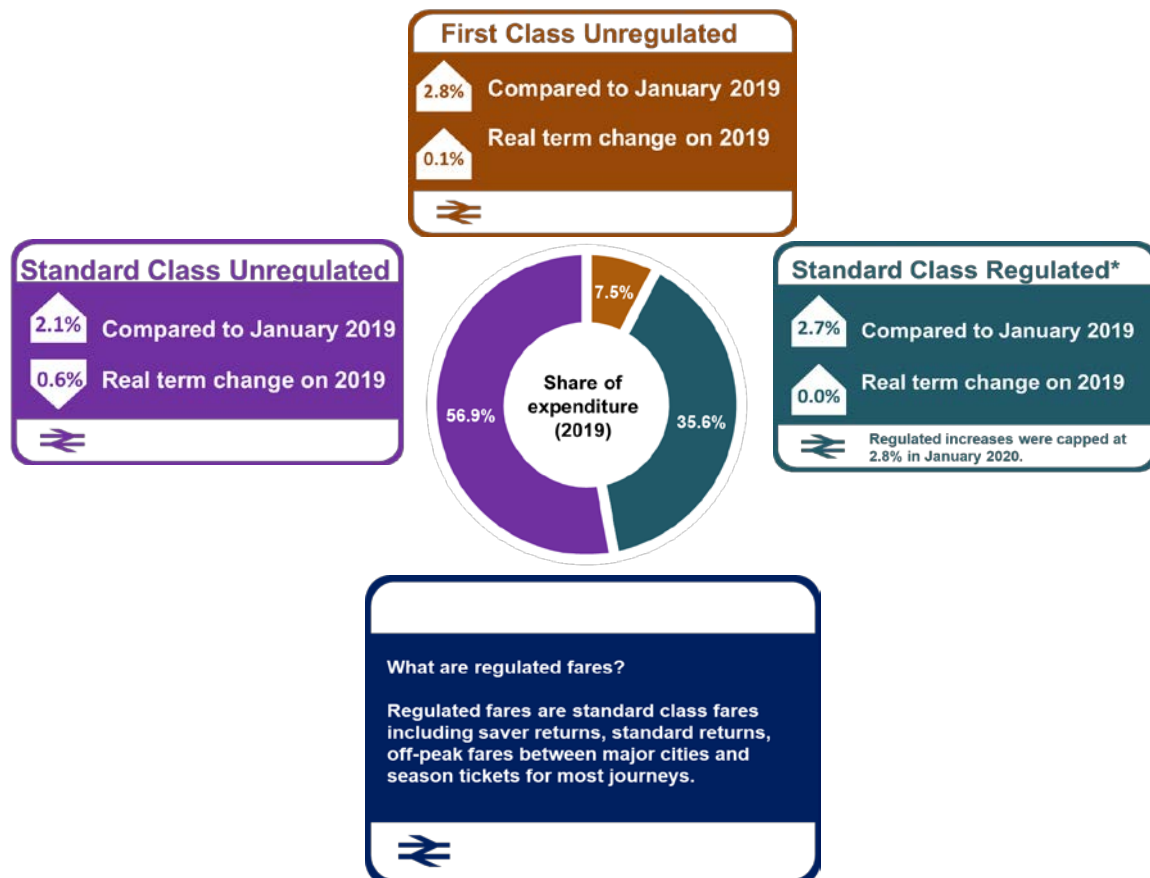
The Long Distance sector saw the average price increase by 2.2% compared to last year. The main driver within the sector are Advance tickets, which increased by 1.4%.

The Long Distance sector has had the largest real terms change in rail fares since the series began in 1995. This is largely due to unregulated fares having a greater share of the market in this sector, and unregulated fares are not bound by any inflationary cap.

> **Real terms change** is the change recorded relative to inflation, based on the Retail Prices Index (RPI). For example, a real terms increase occurs when the price change exceeds the inflation rate.

2. Average change in regulated/unregulated fares

Figure 2.01: Nominal and real terms change in regulated and unregulated fares, all operators, January 2020

First Class Unregulated

2.8% Compared to January 2019

0.1% Real term change on 2019

Standard Class Unregulated

2.1% Compared to January 2019

0.6% Real term change on 2019

Standard Class Regulated*

2.7% Compared to January 2019

0.0% Real term change on 2019

Regulated increases were capped at 2.8% in January 2020.

Share of expenditure (2019)

7.5%

56.9%

35.6%

What are regulated fares?

Regulated fares are standard class fares including saver returns, standard returns, off-peak fares between major cities and season tickets for most journeys.

The average change in regulated rail fares between January 2019 and January 2020 was 2.7%. This represented no change in real terms as, over the same time period, the RPI increased by 2.7%. The average change in regulated fares is capped by the Government based on the July RPI, which was 2.8% in July 2019.

The 2.7% increase in regulated fares is primarily driven by the London and South East sector, which accounts for just over two thirds of all regulated fare revenue. Regulated fares within that sector increased by an average of 2.8% compared to January 2019.

Lower price changes within other sectors contributed to the rise in regulated fares being below the 2.8% cap. Some Anytime day returns within the Long Distance sector increased by under 2%, and Off Peak and weekly Season tickets in the Regional sector also saw lower than anticipated increases.

Unregulated first class fares increased by 2.8% between January 2019 and 2020. Almost 80% of first class tickets were sold in the Long Distance sector so the increase of 2.9% in that sector was counteracted by a lower increase in the London and South East Sector (2.5%).

Standard class unregulated fares saw an increase of 2.1% compared to January 2019. The London and South East sector recorded the highest increase of 2.5%, with the Long Distance and Regional sectors both increasing by 1.9%.

Standard class unregulated fares were the only category which decreased in real terms since January 2019. The real terms reduction was 0.6%, primarily due to the lower price increases recorded for Advance fares, which fall into this category.

In real terms since January 1995, the average fare increases on first class tickets have been over three times that of standard class tickets. This is mainly because the first class tickets fall into the unregulated category which are not capped by government.

3. Average change in price by ticket type

Figure 3.01: Revenue market share and percentage change in rail fares compared to 2019, ticket type
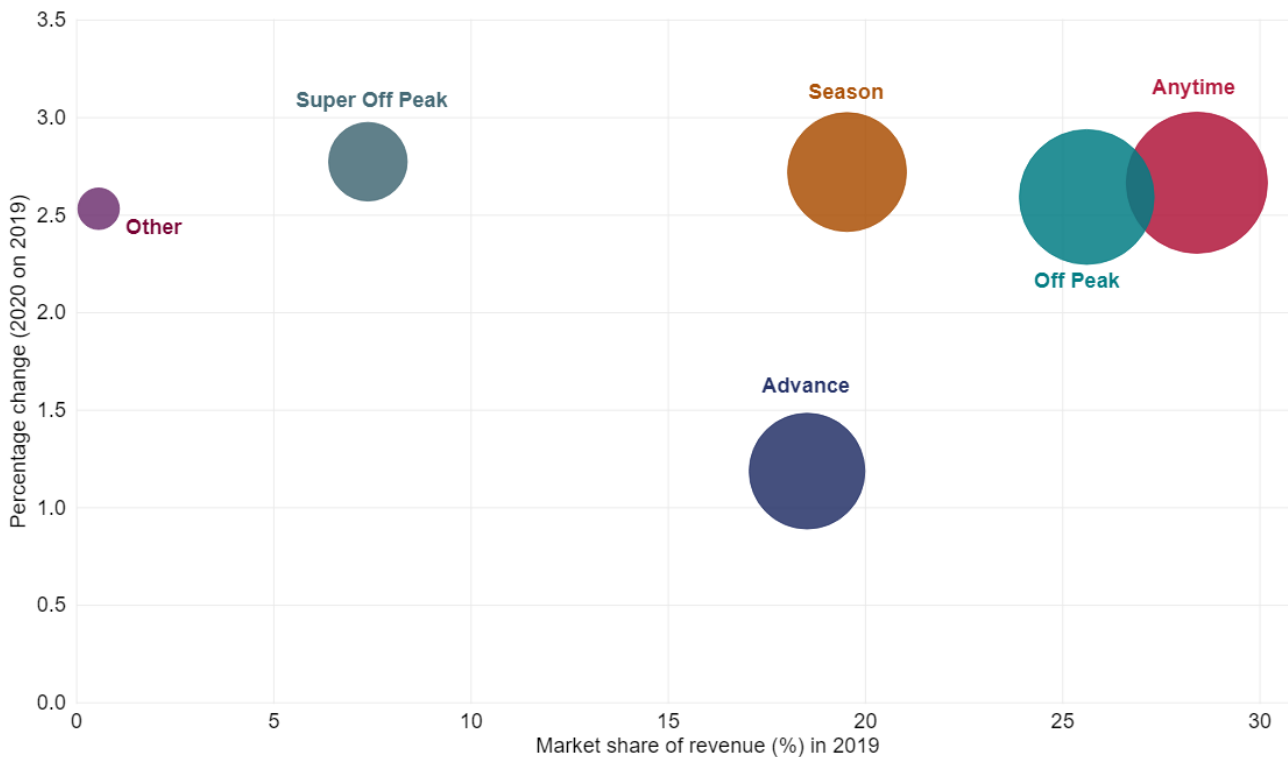
The average change in fares across all ticket types increased by 2.4% between January 2019 and January 2020, with Super Off Peak tickets recording an increase of 2.8%.

Anytime and Off Peak tickets together account for over half of all ticket revenue. Anytime tickets rose by 2.7% and Off Peak tickets rose by 2.6% compared to January 2019.

Season tickets recorded an increase of 2.7% relative to January 2019. The market share for Season tickets continues to fall, with a reduction from 20.6% to 19.5% over the same period.

Advance tickets saw the lowest average increase in price amongst all of the ticket types. Advance tickets rose by 1.2% since January 2019, a decrease of 1.5 percentage points compared to the previous year. Their market share has grown to 18.5% from 18.0% last year.

Annex 1 – List of tables available on the ORR data portal

All data tables can be accessed on the ORR data portal free of charge and can be downloaded in ods format. We can also provide data in csv on request.

All tables associated with this release can be found under Data Tables on the Rail fares page.

Index showing average change in price of rail fares

- Index showing average change in price of rail fares by ticket type – Table 1.8

- Index showing average change in price of rail fares by regulated and unregulated tickets – Table 1.81

Revisions

There have been no revisions made to the previously published tables associated with this statistical release. Further details on historic revisions to the data set can be found on the Revisions log.

Methodology

Please see the Rail fares index methodology and quality report for more information on the methodology used to calculate the statistics in this release.

Annex 2 - Statistical Releases

This publication is part of ORR's National Statistics accredited releases, which consist of:

Annual

- Rail Finance
- Rail Fares Index
- Rail Safety Statistics
- Rail Infrastructure and Assets
- Rail Emissions
- Regional Rail Usage

Quarterly

- Passenger Rail Performance
- Freight Rail Usage and Performance
- Passenger Rail Usage
- Passenger Rail Service Complaints

In addition to the above, ORR publishes the following Official Statistics on the ORR data portal:

Annual

- Estimates of Station Usage
- Train Operating Company Key Statistics
- Rail Statistics Compendium
- Occupational Health

Quarterly

- Signals passed at danger (SPADS)
- Delay Compensation Claims
- Disabled Person's Railcard (DPRC)
- Passenger assistance

The ORR data portal provides a list of ORR publication dates for the next twelve months.

The Department for Transport (DfT) also publishes a range of rail statistics which can be found at DfT Rail Statistics. For example, Rail passenger numbers and overcrowding on weekdays in major cities.

Transport Focus publish the National Rail Passenger Survey (NRPS).

National Statistics

The United Kingdom Statistics Authority designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the Authority's regulatory arm - Office for Statistics Regulation (OSR). The OSR considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

It is ORR's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the OSR promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Our statistical releases were assessed in 2012 and hold National Statistics status as detailed in [UKSA Assessment of compliance with the Code of Practice for Official Statistics report](#). Since our assessment we have improved the content, presentation and quality of our statistical releases. Also, in July 2019 we launched our new data portal. Therefore, in late 2019 we worked with the OSR to conduct a compliance check to ensure we are still meeting the standards of the Code. On 4 November 2019, OSR published a letter confirming the [Compliance check of Office of Rail and Road statistics](#) as National Statistics.

 OSR found many positive aspects in the way that we produce and present our statistics and welcomed the range of improvements made since the statistics were last assessed in 2012. OSR identified some areas that we could consider that may enhance the value of the statistics further and we will be working on these.

For more information on how we adhere to the Code please see the [UKSA Code of Practice](#) page on the ORR data portal.

For more details, please contact the Statistics Head of Profession Lyndsey Melbourne at rail.stats@orr.gov.uk.