

**Transport for London**

**Surface Transport Panel**

**Subject: Fare Evasion on London Buses**

**Date: 22 October 2013**

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**1 Purpose**

- 1.1 This paper updates the Panel on how TfL reduces the risk of fare evasion on London Buses and was requested at the previous Panel meeting on 23 April 2013.
- 1.2 The Panel is asked to note the paper.

**2 Background**

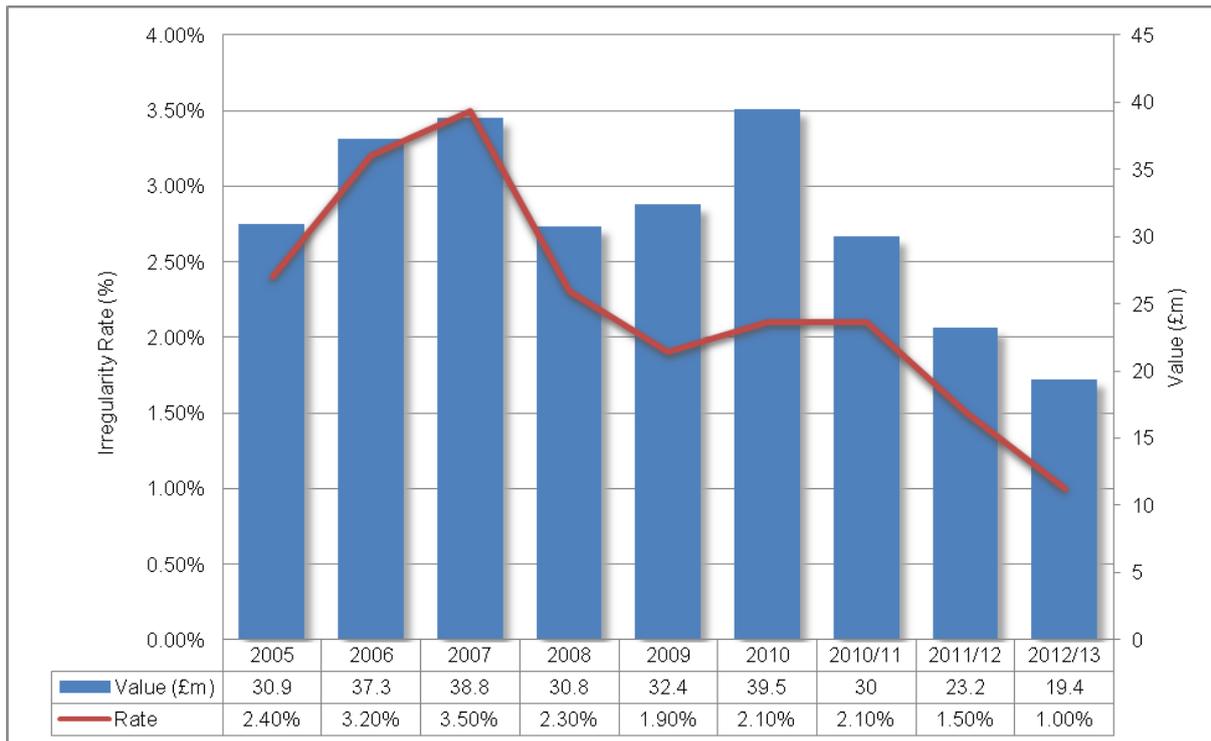
- 2.1 TfL directly employs staff to undertake revenue protection activity on London Buses. At present there are 254 Revenue Protection Inspectors (RPIs) working across the London bus network allocated to nine area based teams. Deployment of revenue protection staff is entirely intelligence led, and takes two approaches:
  - (a) high visibility deployment intended to deter fare evasion and increase awareness amongst passengers of the likelihood of a ticket inspection taking place and;
  - (b) specific targeted operations (often supported by Police) intended to detect high levels of fare evasion and deter future contravention.
- 2.2 RPIs are also increasingly deployed in support of other Surface Outcomes including tackling and deterring anti-social behaviour on the network – particularly in respect of the young persons free travel scheme (Zip) and associated behavioural code – and supporting the efficient operation of the bus network – including support for major events and diversions. RPIs are also a key customer facing resource on the bus network, providing advice and support to passengers. These additional duties and responsibilities are factored in to the staffing levels currently deployed.
- 2.3 Deployments are also carried out in support of crime reduction objectives often in conjunction with the Metropolitan Police Service (MPS). The most serious offenders are often apprehended because they are detected through less serious offences. Estimates by the police suggest around 10 per cent of identified fare evaders are of interest to the police for other reasons. Once the criminal offence of fare evasion is detected, police colleagues are also able to investigate the individual for other potential criminal activity.

- 2.4 TfL has also worked with the MPS to accredit two of the RPI teams, who work across the entire bus network, as required, with additional powers, as part of a Mayoral commitment to review the powers available to TfL enforcement staff. These teams are able to deal with a range of issues on the network including anti social behaviour, drinking and smoking, and supporting the police managing traffic under the Police's Community Safety Accreditation Scheme (CSAS). The scheme has been running for approximately two years, and will be reviewed this year to consider its wider application across the revenue protection teams.
- 2.5 Enforcement activity undertaken by the revenue protection team is supported by a back office operation which constitutes a mix of outsourced contracts (covering IT facilities and penalty fare administration) and in-house activity (covering prosecution and youth enforcement activity). Generally, contraventions are dealt with by the issuing of a penalty fare notice by the RPI. However, when there is a history of non payment and/or an indication of wilful fare evasion then prosecutions will be pursued.
- 2.6 TfL is one of the major volume prosecutors outside of the Crown Prosecution Service (CPS) and TfL staff can now undertake prosecutions. TfL undertakes prosecutions, which have delivered efficiencies within the operation – including the ability to serve postal requisitions to offenders, which reduces the amount of administration required for both TfL and the Court Service.

### **3 Fare Evasion Levels and Historical Trends**

- 3.1 TfL monitors the rates of fare evasion on the bus network through an independent survey, conducted by a third party contractor. The survey is used to develop an estimated rate for "irregular" travel on the network from which TfL calculate an estimated cost of fare evasion assigning a value of revenue foregone for each type of offence. As such, the figure should be viewed as an estimated "value of fare evasion" as opposed to a figure for revenue loss, as it would be unlikely that all fare evaders would make the same travel choices if they were to pay for their journey.
- 3.2 Overall, it can be seen from Figure 1 that the estimated value and rate of fare evasion on the network has been reduced in recent years, with the value seeing significant nominal reductions despite increases in the level of fares and passenger numbers.
- 3.3 There are a number of factors which have contributed to the low rate of estimated fare evasion on the network. Changes to ticketing have had a significant impact on the nature of fare evasion. The prevalence of Oyster usage has meant fewer opportunities for forged or fraudulent ticket fraud, while implementation of the Zip free travel scheme for young people has made it more difficult for adults to travel on child tickets. Changes to the structure of the network have also had an impact, including the withdrawal of articulated buses which historically suffered from higher levels of fare evasion than the one-person operated (OPO) network. However intelligence led deployment of RPIs and improvements to the tactics used have also had a significant impact on fare evasion rates – maintaining exceptionally low levels of loss despite a 20 per cent reduction in staffing levels over the last three years.

Figure 1: Value and rate of fare evasion on the bus network<sup>1</sup>



3.4 The current very low rates of estimated evasion (and associated revenue loss) have also been achieved in an environment where passenger numbers have increased significantly and thus increasing the revenue base from which the revenue loss statistics are calculated. Economic recession and rising costs of living have also, historically, triggered an increase in fare evasion but this has not been seen during the current downturn.

3.5 While estimated rates reached an all time low in 2012/13, the most recent survey observations reported in August 2013 indicated a stabilisation of fare evasion rates over the last three months at approximately 1.3 per cent, suggesting the exceptionally low values observed in summer 2012 could be a statistical anomaly and potentially related to the significant variation in travel patterns associated with the 2012 Games.

## 4 Enforcement

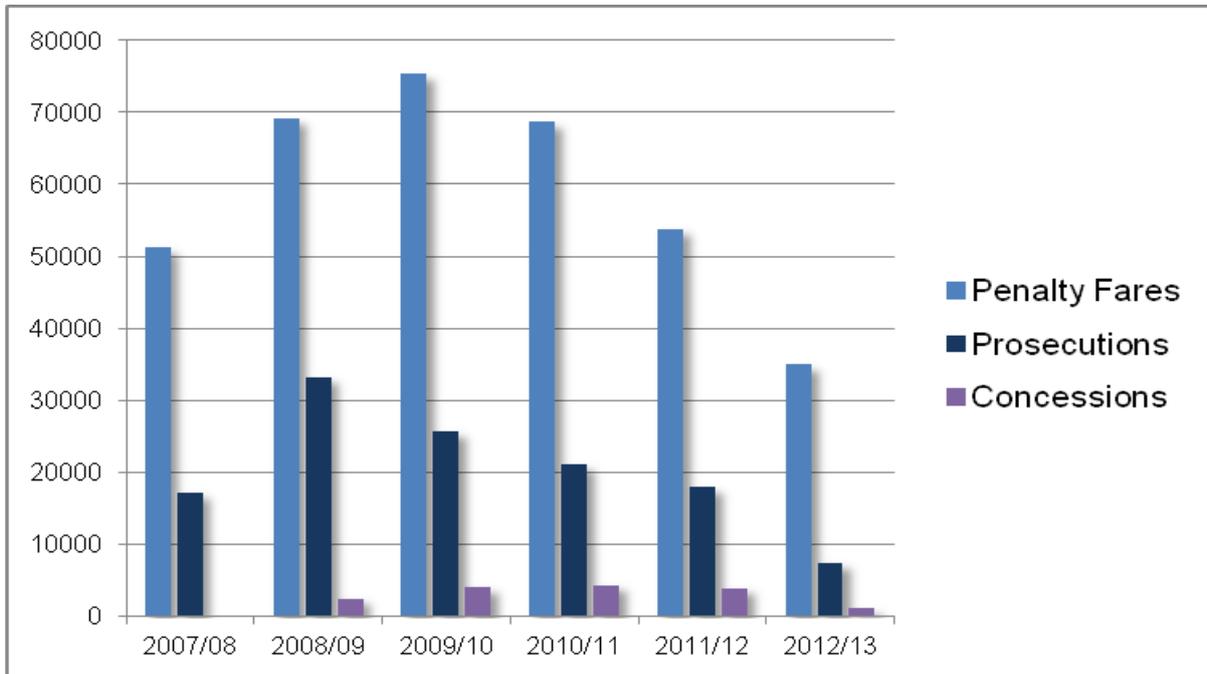
4.1 TfL currently use three primary enforcement sanctions to support revenue protection activity. Passengers identified as travelling irregularly on the network (including fare evasion offences) could expect to either receive an £80 penalty fare (reduced to £40 if paid within 21 days), be reported for consideration of prosecution (primarily under provisions of the Public Service Vehicle Regulations), or if in receipt of a youth concession (Zip card), face the suspension of access to that concession either permanently or until a

<sup>1</sup> Note: Analysis of survey data changed in 2010 to report on financial instead of calendar years. Further methodology changes were made in 2012, although it is considered the data is directly comparable to previous years. The information contained within this paper should be considered an estimate based on the quarterly survey data representing over 60,000 passenger observations on 200 randomly selected driver duties across the network. It is considered that this data remains statistically significant at a network level, however data is not broken down by route.

volunteering activity has been completed (under the Mayor’s “Earn Your Travel Back” initiative).

- 4.2 The current policy is to treat the bulk of first offences as genuine errors and use the Penalty Fare as a suitable sanction. Repeat offenders, or those identified as deliberately evading their fare will be reported for prosecution, while youth offences (including breaches of the behaviour code) would be dealt with via concession withdrawal.

Figure 2: Enforcement activity relating to bus network



- 4.3 The relative use of the different sanctions is demonstrated in Figure 2. The declining trend in detections and penalty fares reflects the lower rate of fare evasion. Over the last three years, the number of RPIs on the bus network has been reduced by 20 per cent to reflect the changing nature of the bus fleet and to reflect the improved deployment and tactics used. The higher number of staff and the higher rates of evasion on articulated routes explains the higher volume of enforcement in 2008/9 – 2010/11. In addition, during 2012, RPIs were abstracted from core duties to support the delivery of the 2012 Games, which impacted on levels of enforcement.

## 5 Key Challenges and Opportunities

- 5.1 There are a number of key changes to the network and ticketing scheme scheduled over the coming months, which are likely to have further impacts on the level and nature of fare evasion. Trends associated with these changes will be closely monitored, and if necessary deployment, tactics or resource levels will be varied to address emerging issues.

### New Bus for London (NBfL)

- 5.2 The roll out of the New Bus for London will be supported by deployment of an appropriate level of revenue protection resources. In addition, fare evasion rates will be monitored once the operation has established itself to ensure resources can be deployed to address any identified trends.

- 5.3 Initial indications from staff observations on the initial NBfL route 24 are that there has been no significant increase in the levels of fare evasion. This would appear to be supported by ticket machine data, which seems to indicate Oyster validations in line with passenger usage.

### **Contactless Payment Cards**

- 5.4 Buses became the first mode to accept payment by Contactless Payment Card (CPC) in late 2012. At present CPC payments only account for about 0.5 per cent of total bus boardings<sup>1</sup>. As such, TfL has yet to establish likely levels of fare evasion through use of CPCs. It is anticipated that the use of CPCs will, if anything, reduce the likelihood of misuse due to the requirement placed on passengers to provide their card for inspection and thus making the job of establishing the individual's identity simpler.
- 5.5 In agreement with the card issuers, TfL has been pursuing a "light touch" enforcement regime in respect of CPC users, with the focus on corrective instruction rather than enforcement action. The situation will be kept under review during future phases of the CPC roll out, including the implementation of capping and eventual roll out of season tickets.

### **Public Perception of Revenue Enforcement**

- 5.6 TfL undertakes annual passenger perception surveys focussing on safety and security on the network, and this survey contains certain questions around perception of revenue protection activity on the network. Two questions (as set out in Table 3 and Figure 4) in the most recent (2012) survey raise some concerns about changes in public perception of this activity.
- 5.7 Figure 3 demonstrates a statistically significant reduction in the perception of how well penalty fares are enforced across all TfL operations. Most concerning for buses, is the fact that after a particularly high score in 2011 (considered to be linked to the withdrawal of articulated buses) rates have dropped down to a level seen at the time of much higher losses from fare evasion.
- 5.8 Figure 4, taken from the same survey, starts to explain the potential reasons for these changes – fundamentally a reduced awareness of revenue protection activity due to a significant reduction in passengers who had encountered a ticket inspector on the network. It is considered that this is likely to be related to the impacts of the reduction in headcount (consistent with the approach on London Underground) compounded by increasing passengers numbers, targeted rather than general enforcement, and a reduction in high profile operations on articulated bus routes which tended to attract additional attention from passengers and media outlets.

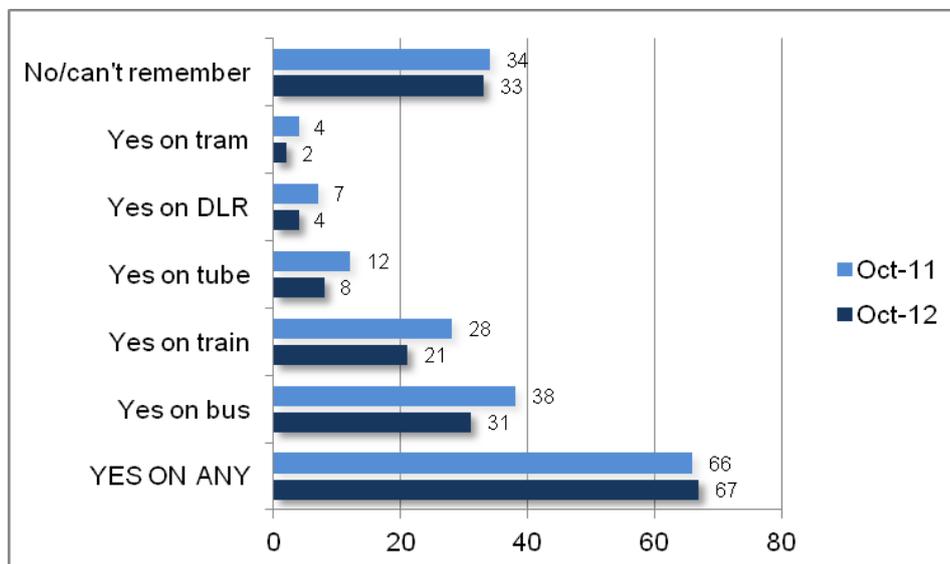
<sup>1</sup> Based on September 2013 figures

Figure 3: How well penalty fares are enforced? – Total % well enforced<sup>I</sup>

	2006	2007	2008	2009	2010	2011	2012
Tube	52	60	51	51	48	57	49
Train	49	54	51	51	49	57	49
Bus	41	47	43	44	42	56	44
Bendy Bus	n/a	32	33	29	26	23	n/a

5.9 Previous evidence generally suggests a time lag between changes in perception and direct impacts on offending, where a significant proportion of fare paying passengers are defined as “considerers” and “opportunists” who may seek to fare evade if they believe there is a reasonable likelihood of success.

Figure 4: Observations of ticket inspectors in the last three months? (% yes)<sup>II</sup>



5.10 Current action to counter this effect on passenger perception includes higher level of uniformed inspection. A marketing campaign has also been used in recent years to increase passenger awareness of plain clothes revenue protection techniques (Figure 5).

Figure 5: TfL revenue protection marketing campaign

<sup>I</sup> SS30 In your opinion, how well are penalty fares enforced on XXX? Base: All (2012 n=1,036; 2011 n=1,000; 2010 n=1,041; 2009 n=1,000; 2008 n=1,005; 2007 n=1,005; 2006 n=1,006)

<sup>II</sup> TE29a: Have you seen a ticket inspector on board public transport, or at a stop/station, in the last three months? Base: all (2012 n=1,036; 2011 n=1,000)

# SPOTTING A TICKET INSPECTOR IS EASY. THEY LOOK JUST LIKE YOU.

Plain clothes inspectors operate across our network.  
Get caught fare evading and pay an £80 penalty fare  
or risk a fine of up to £1,000 and a criminal record.

MAYOR OF LONDON

Transport for London 

5.11 The 2012 increase in the amount of the Penalty Fare, coupled with stronger messaging around the potential for criminal prosecution for fare evasion offences, is intended to change the perception of the individual of the cost and likelihood of being caught, to deter offenders. TfL is also working closely with the Metropolitan Police Safer Transport Command (STC) to better coordinate deployment of uniformed staff on the network, to deter fare evasion and other forms of unwanted behaviour. Closer cooperation between the STC and revenue protection teams allows a more coordinated approach and more efficient operations for both partners, including minimising potential delays to the bus network from revenue protection activity.

## **Closer Operational Liaison across TfL Operations**

5.12 Significant gains in intelligence reporting and information sharing have been realised through the closer alignment of revenue protection functions across TfL. This has taken the form of greater coordination of deployment planning and increased data sharing in respect of repeat offenders. A project is also underway which will deliver shared information technology systems both on the frontline and in the back office, which will lead to even greater alignment between London Buses staff and London Underground colleagues. It is envisaged that rail operations will adopt the new system in due course, which has also been designed to deliver significant productivity and efficiency benefits.

## **6 Conclusion**

6.1 TfL consider the current level of resources dedicated to revenue protection on London Buses to be appropriate. This is supported by the recent and sustained downward trend in fare evasion after a period of increase. There are a number of challenges which need to be addressed as part of our ongoing revenue protection work, and TfL is committed to continued close monitoring of trends to ensure resource allocation, deployment and tactics remain appropriate to the nature of fare evasion on the network.

- 6.2 The wider benefits to TfL and to London from revenue protection activity are significant. Revenue staff provide vital support to the transport system during major events and incidents on the network. They provide regular customer support and assistance, particularly to the most vulnerable travellers. They also make a key contribution to the reduction of crime and anti social behaviour. Recent ticket checks have identified criminals carrying guns, weapons, drugs and stolen goods. As eyes and ears on the network, revenue staff can report on and resolve a range of issues, from missing timetables to criminal damage.
- 6.3 Going forward, TfL believes there are significant benefits to a more joined up approach to fare evasion across the wider public transport network. Ongoing investment in technology is allowing greater sharing of data between operations, and there is a commitment to further alignment of revenue protection operations going forward. While at present this activity primarily relates to operations within TfL, increasingly joint operations have been extended to involve mainline rail train operating companies.
- 6.4 In addition, the Surface Integration Programme will look to build on the flexibility of the current RPI operation and extend this approach to other TfL on street resources, in order to build a more flexible resource able to focus on a range of Surface Outcomes and TfL priorities.

## **7 Recommendation**

- 7.1 The Panel is asked to note the paper and the approach taken by TfL to revenue protection activity and resource allocation.

## **8 Contact**

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