News story: Consultation on proposals to protect London-Exeter rail passengers

The Competition and Markets Authority (CMA) raised concerns over the award of the franchise to FirstGroup and MTR because FirstGroup already operates the Great Western franchise, the only other train service between London and Exeter.

The companies were given the opportunity to avoid an in-depth ('phase 2') investigation by offering proposals (known as 'undertakings in lieu of reference') to the CMA to address the concerns identified. The companies have now offered to cap unregulated fares between London and Exeter on both South Western and GWR services by linking these to prices on a number of other comparable routes where competition remains.

They have also proposed to maintain the availability of cheaper advance fares on both services — again by comparing with similar routes where competition remains.

The CMA has decided that there are reasonable grounds for believing these proposals, or a modified version of them, might be acceptable to remedy the competition concerns it has identified by protecting passengers using both London-Exeter rail services.

As part of its process, the CMA is now undertaking a public consultation on the proposals. The deadline for responses is 8 August 2017.

Details on this consultation will be found on the <u>case page</u> along with full text of the decisions, all other information about the investigation and how to submit a response. The CMA has until 20 September 2017 to consider whether to accept the undertakings, although it may decide to extend this deadline to 15 November 2017 if it decides that there are special reasons for doing so.

The CMA's consultation on the proposals comes in advance of the start of the franchise, due on 20 August 2017.