

# Press release: CMA protects London–Exeter passengers with fare cap

Earlier this year, the Department for Transport awarded the South Western rail franchise to FirstGroup and MTR. FirstGroup already operates Great Western Railway (GWR), which runs the only other train service between London and Exeter.

An initial [merger investigation](#) by the Competition and Markets Authority (CMA) raised concerns this could reduce competition on the London–Exeter route, leading to higher fares or worse service for passengers.

In July the CMA [announced](#) it would consider an offer (‘undertakings’) proposed by FirstGroup and MTR aimed at addressing these concerns.

The offer made by the 2 companies involves a price cap on unregulated fares between London and Exeter on both South Western and GWR services. Ticket prices on the route will be linked to those on a number of other comparable services to ensure they are kept in line with the market.

The companies have also offered to maintain the availability of cheaper advance fares on both services, again by linking them with similar routes.

The CMA [consulted publicly](#) on the proposals, which it has now accepted.

FirstGroup and MTR will be required to submit regular reports to the CMA to show they are complying with the agreement.

The acceptance of these proposals by the CMA means that the award of the franchise will go ahead without the deal being referred for a more in-depth ‘phase 2’ investigation.

All other information relating to this investigation can be found on the [case page](#). The final undertakings will be published shortly.

Rachel Merelie, Executive Director of Markets and Mergers, said:

We examined the proposals very thoroughly during the consultation period to ensure that they addressed all of our concerns. We believe that they will protect passengers from fares being pushed up due to lack of competition on this key route between London and Exeter.

## **Notes for editors**

1. The CMA is the UK’s primary competition and consumer authority. It is an independent non-ministerial government department with responsibility

for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.

2. Media enquiries to the CMA should be directed to [rebecca.cassar@cma.gsi.gov.uk](mailto:rebecca.cassar@cma.gsi.gov.uk) or 020 3738 6633

3. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#).