Rail fares capped to prevent high increases for passengers

- government caps annual fare increase at 3.8%
- Book with Confidence scheme extended to 31 March 2022, supporting passengers as they return to the railway
- changes to rail fares will come into force in March next year, giving passengers more time to purchase cheaper flexible and season tickets at the existing rate

Next year's rail fare rise will be 3.8%, below the current retail price inflation of 7.1%. The government will not increase fares by the retail price index (RPI) rate plus 1%, as it did in 2021.

Until the pandemic, fares were raised in January each year by a formula based on the RPI rate of the previous July, 6 months beforehand. In 2022, the increase will take place in March, giving passengers more time to purchase cheaper flexible and season tickets at the existing rate.

Taxpayers have already invested over £14 billion to keep services running during the pandemic. The rise will help meet some of these costs and will also help pay for the service increases and improvements on many lines, which began this week.

To further support those returning to the railways, the <u>Book with Confidence</u> scheme has been extended, meaning that until 31 March 2022, passengers can change their travel plans up until the evening before departure without being charged a fee, or cancel their trains completely and receive refunds in the form of rail vouchers.

Rail Minister Chris Heaton-Harris said:

Capping rail fares in line with inflation while tying it to the July RPI strikes a fair balance, ensuring we can continue to invest records amounts into a more modern, reliable railway, ease the burden on taxpayers and protect passengers from the highest RPI in years.

Delaying the changes until March 2022 offers people the chance to save money by renewing their fares at last year's price. That includes the 100,000 people who are already making savings with cheaper and more convenient flexible season tickets.

We're driving ahead with the reforms in our Plan for Rail, creating a more passenger-focused railway that delivers a truly first-class service for everyone. The government has also announced that the recently launched flexible season ticket has already been purchased by more than 100,000 passengers, offering savings for customers. This new product offers regular passengers the potential to save hundreds of pounds and far greater flexibility for those travelling 2 or 3 days a week.

Andy Bagnall, Director General of the Rail Delivery Group, said:

The government's decision to hold fares down in line with July's inflation is welcome compared to last year's above-inflation increase and the rate of inflation right now.

It is important that fares are set at a level that will encourage more people to travel by train in the future, helping to support a clean and fair recovery from the pandemic.

We know the railway must not take more than its fair share from the taxpayer, which is why the rail industry is working to create a financially sustainable and more passenger-focused service — that will both keep costs down long-term and attract people back to the train.

Flexible season tickets are part of the reforms set out in the government's Plan for Rail, to give a better deal to commuters adopting new ways of working. Alongside this option are a whole host of railcards offering discounted travel for young people, veterans, seniors and more, helping ensure our railways are an affordable way to commute, travel and see the country.

The government is also pressing ahead with creating <u>Great British Railways</u>, to provide passengers with a single, familiar brand responsible for the railways.