

Legal claim launched against rail companies after millions double-pay for fares in London

A claim was launched in the UK's specialist competition court yesterday by Justin Gutmann, formerly of Citizens Advice, on behalf of millions of passengers who have paid twice for part of their journeys on Southeastern and South Western routes.

- Passengers who have held a Travelcard in the period since October 2015 and bought another ticket for a rail journey that is partially covered by their Travelcard have effectively paid twice for part of their rail journey
- The claim is estimated to be worth around £93 million in damages
- Millions of passengers who have travelled in and around London may be eligible for compensation

London, February 27th, 2019

A claim on behalf of millions of rail passengers has been filed in the Competition Appeal Tribunal against the operators of the South Western and Southeastern rail franchises.

First MTR South Western Trains, Stagecoach South Western Trains and London & South Eastern Railway are alleged to have not made “boundary” fares readily available for Travelcard holders to purchase, nor making passengers aware of their existence. The rail companies’ failures have left customers with little option but to buy a higher fare than they would have needed because their Travelcard already entitled them to travel for part of their journey.

Boundary fares allow passengers who own a Travelcard to travel beyond the zones covered by their Travelcard without doubling up on payment. Independent research has shown that boundary fares are not readily available through online platforms or over the telephone from South Western or Southeastern and are rarely offered at ticket counters unless expressly requested by passengers. This imposition of an unfair price for fares is an abuse of the companies’ dominant position and in breach of UK and EU competition laws.

The opt-out collective action is being led by Justin Gutmann, an experienced campaigner on both consumer issues and the transport sector.

Gutmann said:

“Passengers in London already pay a lot of money for trains that are often delayed or not even running. Now following extensive research, we have found that some passengers are paying twice for parts of their rail journeys.

We are launching this legal action to ensure that the money that South Western and Southeastern have made from this is returned to those train users.

Millions of rail passengers could be eligible for compensation. Let's put this right and stop train companies taking passengers for a ride."

Who is eligible?

Passengers who owned a Travelcard at any time from 1 October 2015 and also purchased a rail fare from a station within the zones of their Travelcard to a destination outside of those zones may be eligible for compensation. Millions of passengers are thought to be affected.

What next?

The Tribunal will now determine whether or not Mr Gutmann's claim is allowed to proceed. If the claim is permitted to go forward then those affected will not have to pay any legal fees, nor contact lawyers.

Affected passengers who live in the UK will be automatically included in the claim although they can choose to opt-out in due course. Affected passengers who do not live in the UK will also be eligible to join the claim but must proactively opt-in. As the case progresses, we will provide more detail as to what rail users will be required to do to either opt-in, or opt-out.

Anyone who would like to receive further information about the claim, can visit the claim website, BoundaryFares.com, to sign up for updates.

Further information

The claim's website and social media channels are available from the day of launch, at BoundaryFares.com where affected passengers can sign up to receive further information on the legal proceedings.

Please see the attached document for a list of Frequently Asked Questions.

Justin Gutmann is also available for interview.

Notes to Editors

Justin Gutmann represents the passengers bringing this legal case against South Western and Southeastern. He is aiming to ensure that the train companies have to pay back the money which they earned from passengers paying twice for part of their journeys. This is estimated to be in the region of £93 million.

Mr Gutmann has a wealth of experience working in the consumer rights sphere and he has strong expertise in the transport sector. He has spent a large part of his professional life dedicated to consumer welfare, public policy and market research.

Mr Gutmann's final job prior to retirement was as Head of Research and Insight at Citizens Advice.

Mr Gutmann also spent eight years working for London Underground as a Market Planning Manager.

Justin Gutmann is represented by Charles Lyndon and Hausfeld & Co LLP and his claim is funded by Woodsford Litigation Funding Limited, a founding member of the Association of Litigation Funders of England and Wales.

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