Dear Lilian,

16-17 Railcard

Thank you for your letter dated 6 March 2019 in relation to the 16-17 Railcard.

The rail industry is currently working with the Department for Transport (DfT) to develop a product that will benefit 16-17 year olds. More information will be made available in the summer; in the meantime, please find below responses to your questions.

1. **How will the 16-17 Railcard be funded, and what estimate have you made of how the introduction of this Railcard will affect revenues for train operating companies?**

The development and launch of a product aimed at 16-17 year olds is being developed by the Rail Delivery Group (RDG) with the associated costs being funded by the DfT. Research is currently underway to assess the product take-up and usage. This new research, which is also being funded by the DfT, builds on existing research and uses the same methodology used by the industry when researching and developing products previously adopted, including the 26-30 Railcard. The DfT is working with Operators to assess the impact this new product may have on franchises in the longer-term.

2. **Will all current franchises be required to offer the new Railcard or will this requirement only apply to franchises let after the Railcard is launched later this year?**

The DfT is currently liaising with the various Operators about how this product would fit into the respective Operators’ portfolios. This is being directly managed via the DfT.

3. **Will your discussions with the Department be complete in time for the new Railcard to be launched in September 2019?**

The RDG, on behalf of the rail industry, is working with the DfT to create and deliver a new product for 16-17 year olds from the start of the next academic year. We are confident this date is achievable from a technical delivery standpoint. However, the negotiations on portfolio impact are owned by the DfT, so this element is reliant on their commercial discussions.
4. How will the 16-17 Railcard sit alongside with the existing arrangement for the 16-25 Railcard, and do you expect to have to make changes to the 16-25 Railcard?

Generally, Railcards have been developed and introduced for two main purposes; the first being to encourage rail travel amongst groups of people who do not regularly travel by train; and secondly for people for whom rail travel may be particularly difficult or cost prohibitive, such as disabled travellers or senior citizens.

The 16-17 product will have a unique offering and will provide anyone under the age of 18 with 50% off rail travel (including season tickets) with no minimum fares. This product will be useful in facilitating discounted rail travel to education and training, given the requirement for young people to participate in education or training until they turn 18.

There will be no changes to the currently available 16-25 Railcard as this product was originally developed to help students and young professionals stay connected to friends, family and enjoy days out by train for less. The 16-25 Railcard is aimed at leisure travellers, with terms and conditions in place to reflect this.

5. Why has the government proposed introducing a new 16-17 Railcard, instead of simply introducing a higher discount rate for 16 and 17 year olds holding a 16-25 Railcard?

The 16-17 product is being developed to provide a different level of discount to the existing 16-25 Railcard, which is aimed at leisure travel with terms and conditions in place to reflect this. There will be no minimum fare for the 16-17 product, with the latter aimed at providing young people with discounted rail travel to education and training until they turn 18. This is unlike the 16-25 Railcard which, along with the rest of the portfolio of Railcards, is aimed purely at leisure travellers.

6. What evidence is there that people eligible for a 16-17 Railcard or a 16-25 Railcard can make an informed choice and understand the benefits and cost of each option?

As with any new product launch, it is essential that a detailed level of education is provided. The industry will be ensuring that customers continue to receive information about the right product that best meets their needs through information across all National Rail and Railcard-owned, earned and paid channels – as well as in stations through frontline staff and offline marketing collateral.

I hope you find this useful, but please do not hesitate to contact me again if you have any further questions, or if there is any other way I can be of assistance.

Yours sincerely,

Paul Plummer
Chief Executive