The future of Oyster Card and fare collection in London

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Customer Experience
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Omnibuses and the birth of ticketing
The Recent Past

1983: Travelcard launched in London
1989: Travelcard integrated with national rail
1998: Prestige contract for ticketing services
2003: Oyster launched
2004: Oyster PAYG launched
2007-10: PAYG extended to national rail
Oyster today

- Complete multi-operator, multi-mode smart integrated ticketing system
- 50m cards produced
- Accepted on all TfL & TOC rail services & all bus services within London
- Used for 83% of all trips – main non-Oyster usage is TOC-retailed Travelcards from outside London
Big picture – where we have got to

- Contactless smart ticketing has delivered the business case
  - High gate throughput prevents bottlenecks constraining ridership growth on rail
  - Fast boarding time minimises bus fleet sizes and drives up appeal of bus vs. car
  - Fraud has been hammered

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Increased Gate Demand met by Oyster

Persons per minute, entry only, average between 8am-9am

- Liverpool Street
- London Bridge
- Oxford Circus
- Bond Street
- Leicester Square
- Green Park
- Vauxhall
- Whitechapel
- Tottenham Court Rd
- Bank
- Old Street
- Victoria
- Brixton
- Moorgate
- Warren Street
- Clapham South
- Marylebone
- Ealing Broadway
- St Pauls
- Stratford
- Euston
- Southfields
- Canary Wharf
- Charing Cross

Legend:
- National rail
- LU only
Reduction in irregular ticket travel with Oyster

Revenue lost on London Underground due to irregular tickets, %

2.5% reduction in fraud = £40 million in 08/09
Big picture – where we have got to

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• But Oyster has issues:
  – Expense is uncomfortably high given TfL’s need to reduce operating expenditure
  – Customer experience is far from perfect
Majority of public transport fares come from infrequent or irregular customers.

Forecast FY10/11 travel product sales on London’s public transport system (£m)

- TfL & TOC cash fares: 440
- Oyster PAYG top-ups: 1540
- Oyster Travelcards: 950
- Oyster bus & tram season tickets: 260

“Commuters”

“Non-commuters”
These customers tend to drive the split of costs in TfL’s fare collection system.

How much of this could be eliminated?

100% = 14p per £ of fares collected
Thousands 'traumatised' as London Tube power failure forces passengers to escape through pitch black tunnels
Oyster isn’t the perfect offering for these customers – some things could be better

- ISO14443 standard contactless – fast & intuitive
- Pay As You Go travel with daily capping – intuitive product that eliminates deliberate ticket purchase as a barrier to travel & drives up ridership
- Data stored on the card – makes it difficult to accurately offer customer information online
- Stored value purse on card – “non-commuters” have to invest time in managing PAYG balances (same applies to weekly season ticket expiry dates)
- Oyster is London-specific – many visitors don’t have it
Oyster system will be enhanced to accept contactless credit & debit cards on all modes.
Front Office

Is the card valid?

Is the card on the deny list?
TfL Transit Model

Authorisation OK?

Do we know this card?
TfL Transit Model

Authorisation OK?

Front Office → Middle Office → Back Office

Deny Lists

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TfL Transit Model

- Front Office
- Middle Office
- Back Office
- Deny Lists
- Banks
TfL Transit Model

Sort Data – Construct Journeys

Look

Banks

Apply Discounts and Caps

Back Office
TfL Transit Model

Banks

Front Office

Middle Office

Back Office

Deny Lists
Oyster - Card no longer King
Summary

• TfL is moving to account based for cost reduction and improved customer service
• TfL is offering Contactless Bank cards for cost reduction and improved customer convenience
• TfL awaits NFC
• Seamless or a well stitched seam?
• Convenience or Interoperability
Thank you for your attention

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