

11 September 2007

TravelWatch *ISLE OF MAN* Media Release

Evidence to the TYNWALD SELECT COMMITTEE on the ISLE OF MAN STEAM PACKET COMPANY.

TravelWatch *ISLE OF MAN* welcomes the appointment of the Tynwald Select Committee. TravelWatch has prepared and submitted evidence to the Select Committee which takes into account our study of the User Agreements, the terms of reference of the Select Committee and views expressed to us. Copies of the full 25 page submission can be downloaded from <http://www.travelwatch-isleofman.org/html/media.html> Paper copies are available on request to TravelWatch Chairman Brendan O’Friel – contact details below.

The following is a brief summary of that evidence.

PRICING:

The lack of transparency in Steam Packet pricing policies has led to widespread confusion and public expectation that advertised special offer fares will be more readily available than appears to be the case. This, coupled with absence of standard fares being listed in the Company’s brochures, or in advertisements, has led to a view that those unable to benefit from special offer fares are being over-charged and are not getting value for money. Standard fare prices are the only ones which the User Agreement regulates.

Despite this we find no evidence that the pricing policies followed by the Company are in breach of the User Agreements reached with the Department of Transport in 1995 (extended in 2002) and 2004. We are however concerned that there is no provision to update or revise a formula for fares which was established in 1995 during the life of the current agreement which runs until 2020 – maybe 2026.

Whatever modes of transport are used to or from the ferry, other costs will be involved, and these will form part of the passenger’s judgement on the value for money of making the total journey – or in some cases whether or not to make that journey at all. If visitors are to be encouraged to travel to the Island the costs and convenience of the whole journey need to be seen as competitive.

STANDARDS OF SERVICE:

We are concerned at the lack of agreed and published service standards.

Whilst the User Agreement stipulates ports to be served, frequencies and capacities to be provided there is no requirement for consultation with customers and reporting of timekeeping / cancellations / complaint levels / information to be provided for passengers (particularly when things go wrong). These shortcomings were identified by the Select Committee which reported in 1999 but these and the remedies suggested at the time appear not to have been given any consideration when the User Agreement was renegotiated in 2004.

We believe that the comfort and ambience of the company’s vessels, particularly fast craft, is below that of most other ferry companies on the Irish Sea.

MAIN RECOMMENDATIONS:

TravelWatch ISLE OF MAN recommendations to the Select Committee include that:

- • The Steam Packet website and literature be required to show Standard Fares as well as Special Offers and that a full timetable be included in the printed brochure (as in previous years). The local 01624 telephone numbers should be advertised so that callers can benefit from inclusive call and local rate tariffs – rather than pay a “national rate” tariff.
- • Service standards be agreed across a number of areas not covered by the User Agreement. Performance against these standards should be regularly and publicly reported and a remedy process be established in the event of non-performance.
- • Regular consultation with passenger representatives be instigated.
- **TravelWatch ISLE OF MAN** has other areas of concern which in the absence of publicly available information we have been unable to explore fully. We are therefore suggesting that the Select Committee might look into:
 - • The accounts of the Company which are not available to the public but are needed to determine whether prices charged are equitable i.e. enabling the company to make a reasonable but not excessive profit from its business. We hope the Select Committee will obtain the necessary financial information to form such a judgement and will also ask the Company for details of price-related complaints.
 - • The appropriateness of the control mechanism on Standard Fare levels in the User Agreements – possibly to include benchmarking of fares against other operators.
 - • Whether in a monopoly situation on life-line routes it is acceptable that the lowest fares can only be purchased on-line. This practice is common across the travel industry in competitive markets.
 - • The application of Fuel Surcharges, the formula for which is not included in the User Agreement, to determine whether the current arrangements are equitable and to establish transparency.

Issued by **TravelWatch ISLE OF MAN**

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