

# Submission from TravelWatch-*ISLE OF MAN* to the Tynwald Select Committee on the Isle of Man Steam Packet Company. August 2007

## Introduction:

**TravelWatch *ISLE OF MAN*** was formed in January 2007 to represent and promote the interests of Isle of Man Passengers. It is part of a much larger TravelWatch network based in the UK, giving us access to expertise, advice and support across all modes of public transport. We seek to work with the relevant authorities and operators to drive up standards and improve the travel experience for residents and visitors alike, to from and on the Island. Further details of TravelWatch *ISLE OF MAN* are provided in Appendix 1.

**Our submission:** is made under the five headings under which the Select Committee has invited comment, and on which we would be prepared to give oral evidence.

We would however make three **preliminary observations:**

a/ The User Agreements and amendments which regulate certain aspects of the Company's operations have not been open to inspection in the Tynwald Library by MHKs or the public until very recently. There are therefore many misconceptions over what is and what is not covered by these agreements. This has led to incorrect assumptions that the company is acting outside the agreements.

b/ Having heard both the views expressed by the travelling public and examined the documentation lodged in the Tynwald Library we believe that passengers have legitimate concerns most of which are in areas either not covered at all, or inadequately covered within the User Agreement(s). Some of these concerns may ultimately be addressed by pending EC legislation which will apply to all maritime carriers serving EC ports. Given that the User Agreement(s) are a "done-deal" legally, it may be beneficial for all if the parties reach voluntary agreement to address some of these passenger concerns.

c/ Our submission includes a number of suggestions for improvements for passengers. We would be prepared to work with the Company as a passenger consultative organisation on the detail of these proposals. Such co-operation with transport operators is an objective of TravelWatch *ISLE OF MAN*.

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## EXECUTIVE SUMMARY & MAIN RECOMMENDATIONS

### PRICING:

- A. We find no evidence that the pricing policies followed by the Company are in breach of the User Agreements reached between the Department of Transport and the Isle of Man Steam Packet Company in 1995 (extended in 2002) and 2004. [see section 4]
- B. The lack of transparency in those 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. [see section 1]
- C. 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.
- D. A formula for fares which was established in 1995 can hardly be expected to be appropriate until 2026 [see para 3.8]

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 by sea the costs and convenience of the whole journey need to be seen as competitive. [see paras 3.7 and 5.5]

### STANDARDS OF SERVICE:

- E. User Agreement shortcomings in the area of passenger service requirements were identified by the Select Committee which reported in 1999. These and the suggested remedies appear not to have been given any consideration when the User Agreement was renegotiated in 2004. [see paras 5.1 & 5.2 and Appendix 6]
- F. We are concerned at the lack of agreed and published service standards - [see paras 5.2 to 5.6]

### MAIN RECOMMENDATIONS:

We recommend that:

- G. The Steam Packet website and literature be required to show Standard Fares as well as Special Offers (as in previous years). [see para 1.2]
- H. A full timetable be included in the printed brochure (as in previous years).
- I. The Company be required to publicise its 01624 telephone number in all advertising on and off the Island [see para 4.5.4]
- J. Service standards be agreed across a number of areas not covered by the User Agreement(s) [see section 5]
- K. Performance against these standards should be regularly and publicly reported
- L. A remedy process be established in the event of non-performance.
- M. Regular consultation with passenger representatives be instigated.

Some of these concerns and recommendations may ultimately be covered by pending EU legislation which, once enacted, will apply ultimately to all maritime carriers serving EU ports. Given that the User Agreements are a "done-deal" it would be beneficial for all the parties if voluntary agreement could be reached to address these passenger concerns. [see Appendix 4].

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There are other areas of concern to us which in the absence of publicly available information we have been unable to explore fully. We would suggest that the Select Committee might wish to look into:

- N. 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. The Select Committee will be able to obtain the necessary financial information to form such a judgement and may also wish to ask the Company for details of price-related complaints. [see section 3 – Overview]
- O. The appropriateness of the control mechanism on Standard Fare levels in the User Agreements – possibly to include benchmarking of fares against other operators.[see para 3.6.1]
- P. 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. [see para 4.4]
- Q. The application of Fuel Surcharges to determine whether the current arrangements benefit anyone other than the company and to establish transparency. [See para 4.5.3 and Appendix 2 which gives details of current ferry industry applications of fuel surcharges].

**1 - Examine the Isle of Man Steam Packet Company's fare structures over the past twelve months, any increases to fares in that period and the reasons why.**

Overview:

- The basic fare structures have not changed in the last 12 months.
- Standard fares for 2007 have been increased in line with inflation as permitted by the User Agreements.
- Some slight changes have been made to special offer fares – some beneficial to weekend passengers and some detrimental to those unable to book on the internet.
- Costs for extras such as Cabins, 1<sup>st</sup> upgrades and Reserved Seating are substantially unchanged from 2006.

Comments:

1.1 SPC fare structures are unclear to passengers – so it is difficult for passengers to know whether they have been quoted correct fares or not. There were particular difficulties earlier in the year for people booking for the TT period to establish the fare they were likely to have to pay.

1.2 Unlike previous years the printed brochure for 2007 does not display tariff “standard” fares at all, and all “special offer” fares are “from” fares i.e. the lowest fare is quoted but may not always be available.

1.2.1 We recommend that brochures and the SPC website should be required to display full details of all Standard Fares.

1.3 All fares are currently subject to a fuel surcharge

1.3.1 The question of fuel surcharges and their application is addressed as a separated topic [see para 4.5.3 below and appendix 2]

1.4 2007 “Special fares” changes

1.4.1 In the spring and peak summer (post TT to mid September) periods “any length of stay” special offers in recent years were restricted to midweek (Mon-Thurs) travel. In 2007 that restriction was removed but a £20 / £25 per vehicle per single journey weekend surcharge was applied. This is a benefit over the standard fares previously offered – but there is limited availability at these new lower fares.

1.4.2 Foot passenger day return fares which are advertised as being available on all sailings at defined times (outward journey must commence before 11.30 and subject to availability) have been completely withdrawn during the Manx Grand Prix. (as per Mark Woodward’s BLOG dated 18 July).

1.5 The Steam Packet website shows the sailing and fare options available for any potential booking – but excludes fuel surcharges until the booking is made. There appear to be a few instances when two single fares may be cheaper than booking the return options displayed – this is addressed in section 3 (below).

## **2 Make a comparison of prices when booking on and off the Island**

### Overview:

- A common tariff of both Standard and Special Offer fares applies to sailings both to and from the Island. The only exception to this is “TT Escape Fares” (see para 2.2 below).
- The actual time and date of sailing will lead to variations in cost of travel and (apart from the TT period) the closer to the date of travelling the booking is made the lower will be the chance of obtaining a special offer fare. The tariff applied to standard fares at busy periods and the limited availability of special offer fares also means that the fuller the vessel the more people will be travelling at higher fares. This means that at times when the traffic into the Island is heaviest (e.g. at the start of the school summer holidays) the average fares charged will be higher than they are for (smaller number of) people leaving the Island the same day. This is standard **yield management technique** widely used by airlines, ferry companies and train operators.

### Comments:

**2.1** Standard fares have for many years been banded into 5 categories (designated A-E) with the highest fares (A) applying to peak (mainly weekend) sailings on the Liverpool route and during the TT period. The lowest standard fares (E) have only been available in the winter. The standard fare is not always the same on all sailings on the same route on the same day, as sailings later in the day may sometimes be offered at a lower tariff than morning ones. This means that the time of travel will have more bearing than the direction/origin of travel on the fare paid.

During the 2007 TT period (as for 2006) no standard fares tariff has been published, so we are unable to determine whether all sailings have been rated at tariff A – or whether there may have been some offered at lower prices (presumably on lightly loaded sailings in the direction opposite to the main traffic flow)

**2.2** Special offer fares will always be more freely available on sailings for which there is low demand and are, we believe offered on a first come – first served basis. Dates of availability of special offer fares are clearly stated in the company’s literature both in 2007 and in previous years. Most Special Offer fares are not available during the TT race period (defined in 2007 as 24 May to 12 June – the same overall period as in 2006). There has in recent years been only one special offer fare available at this time: “TT Escape” Fares – which originate only from IOM, offering return fares “from £158” for a car plus 2 – or from £88 return for a motor cycle + rider.

**Comparable standard fares** (which would apply to bookings at the same time from UK/Irish ports) would be more than double this (£354 in 2006 – £362 in 2007)

**2.3** Unlike some ferry companies e.g Northlink serving Orkney & Shetland, the Steam Packet Company (and the airlines serving the Island) do not offer any form of Resident Discount fares. They are not required so to do by the User Agreement, but the point is raised only to suggest that if there are occasions when Manx residents have some slight benefit then they should be retained! The discontinued **Frequent Traveller** scheme offered an effective discount of 20% to those making more than 5 trips a year – a preponderance of whom would probably have been Island residents. The promised replacement scheme has never materialised.

**2.4 An actual example:** For a family with car and two children, booked on-line on 29<sup>th</sup> July 2007 and wishing to travel on Saturday 4<sup>th</sup> August and return on Saturday 11<sup>th</sup> August, the following range of fares and options was available (an option being a combination of sailings at different times to/from either English port):

**Starting from Liverpool/Heysham to IOM:** (all prices would be increased by £20 to cover fuel surcharges)

- 4 options @ £300
- 4 options @ £318
- 1 option @ £410
- 2 options @ £422
- 1 option @ £426

**If the journey started on the same date from IOM** the availability offered was:

- 9 options @ £300
- 3 options @ £318
- 2 options @ £410
- 1 option @ £414

Again these prices would be increased by £20 to cover fuel surcharges. Further details are shown in appendix 3

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### **3. Consider whether the prices charged throughout this period are fair and equitable and represent best value for money for Isle of Man customers and off-Island customers.**

#### Overview:

- The accounts of the Company are not available, and are not required to be available for public inspection. We therefore cannot form an opinion as to whether prices charged are equitable i.e. enabling the company to make a reasonable but not excessive profit from its business. The company's prime objective must be to maximise its profits for the Australian Pension Funds and the Macquarie Bank who are now its owners. The Select Committee will be able to obtain the necessary financial information to form such a judgement and may also wish to ask the Company for details of price-related complaints.
- Those able to benefit from Special Offer fares are usually getting good value for money – those paying full tariff fares will find the Isle of Man an expensive place to reach or leave. This is true both for IOM and off-Island travellers.
- At times of high demand we believe that the on-line booking system may not always show all the fare options that are available – two single fares may be cheaper than any of the return fares displayed. (see para 3.4).

Comments:

3.1 The standard tariff fares and charges are regulated by the User Agreement. These are based on the tariff fares for 1995 which the company is permitted to increase by up to Manx RPI less 0.5%. Any increase above this figure is subject to Dept of Transport approval and may be referred for binding arbitration. Increases above this level were envisaged in the event of reductions in traffic volume causing the company to go into loss, increases in costs beyond the Company's control or to allow the company to re-coup costs associated with investment.

3.2 The number of special offer fares to be made available has been specified since the 2002 supplemental agreement but the level of special offer fares is not regulated, nor is there a definition of "special offer fares". It would therefore appear possible for the company to increase special offer fares considerably (provided they remain below the standard fares), without being in breach of the User Agreement.

The on-line booking system also makes it difficult to appreciate at the start of the booking process what terms and conditions are associated with the various price options displayed. e.g an enquiry for foot passenger day return fares to the IOM on Saturday 25<sup>th</sup> August produced a range of prices between £24 and £61 (excl Fuel Surcharges) but stated that the Ticket type was: STD 5 Day Return, Fully Flexible, Amendment fee £0pp per amend, Max. fee £0. These conditions presumably would not be applicable to the lower prices quoted.

3.3 There is no requirement in the User Agreement for the benchmarking of fares against other ferry operators/routes – although the Company themselves published figures (Steam Packet Company TIMES – Issue 7 Dec 06/Jan 07) which suggested favourable cost/mile comparisons with Holyhead and Channel Islands routes. It should be noted that the figures used were compiled in March 2006.

3.4 In the peak Summer period the price for a car plus two on weekend Standard tariff A is £374 (£354 plus 4 x £2.50 fuel surcharges). The Special Offer return fare (any length of stay) if available would be £258 (£198 + 2 x £25 w/e surcharge + 4 x £2.50 fuel surcharges). Travelling mid-week on tariff B there would be a saving of £8 on the Standard fare = £366, and £50 on the special offer fare = £208 (with a greater chance of availability on the latter).

For foot passengers, the difference between special offer and standard fares can be even more extreme. For someone wishing to make a day trip from the Island to Liverpool on Saturday 18<sup>th</sup> August (booking 8 days ahead) the prices ranged between £38 and £61 (both plus fuel surcharge). Coming to the Island the same day it was £37. Mixing and matching routes ie out to Heysham and back from Liverpool (or vv) cost £60 or £61 that day.

It appears that if no special offer return fares are available a standard return fare is the only alternative offered, even if a special offer fare is available in one direction. Whilst there may be some difficulty for the booking system to mix and match standard and special offer fares it appears perfectly possible to purchase a single journey at a standard fare in one direction and a special offer fare in the other. A similar anomaly in the (UK) railway booking system ([www.thetrainline.com](http://www.thetrainline.com)) has been overcome by indicating on each pricing page that it may be cheaper to book two single tickets.

Whatever the User Agreement may allow, it would be difficult to convince passengers that the standard fare is either fair or equitable.

3.5 Similarly residents have long complained about the costs of getting off the Island. Despite the decline in tourist numbers the total passenger numbers travelling by ferry has held up well over the last 10 years. This is substantially based on Island residents travelling more – and particularly in the off peak months. This appears to be the area where special fares have successfully encouraged more travel.

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3.6 The Select Committee might wish to consider the following:

3.6.1 A review of the appropriateness of the control mechanism on Standard Fare levels – possibly to include benchmarking of fares against other operators.

3.6.2 A definition of the relationship between special offer and standard fare levels. e.g “special offers will be at a level of between 50% and 75% of standard fares” We suspect this is probably about what happens now but the purpose would be stop them raising them above (say) 75% without reference.

3.6.3 The wider availability of Special Offer fares for Island Residents travelling “against the flow” of TT traffic who may not be able to meet the requirement for TT Escape fares.

3.6.4 More transparency being required of the company over the number of special offer fares available at peak times. A recent Commission finding into a complaint against Stena Line’s advertising of special offer fares in Ireland is illustrative of the general issues. (see Appendix 5). We would also suggest that the Select Committee might wish to take a view on whether an adequate number of special offer fares are being offered at peak times.

3.7 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 by sea, the costs and convenience of the whole journey need to be competitive. [See also para 5.5]

3.8 In forming a view over whether fares are fair and equitable, passengers will not be convinced by comparative “cost per mile” arguments against other routes, much less compliance with any formula. Since P&O Ferries can offer night and early morning fares between Dover and Calais for last minute bookings through August from just £40 each way for any length of stay (covering a car and up to nine people), why should holidaymakers go to the Isle of Man?

The economics of the Dover and IOM routes are totally different, but the problem is one which faces many island communities. The Scottish Executive announced on 13<sup>th</sup> August 2007 a study to establish the most effective and sustainable structure for a Road Equivalent Tariff (RET) pilot scheme for setting ferry fares on the basis of the cost of travelling an equivalent distance by road – because high ferry fares are seen there as a barrier to economic growth on the Islands. Details are on their website <http://www.scotland.gov.uk/news/releases/2007> We do not advocate this particular solution but we believe that some “thinking outside the box” will be needed. A formula for fares which was established in 1995 can hardly be expected to be appropriate until 2026.

3.9 The company has been conducting on board surveys recently using a touch-screen hand-held device on which passengers were asked to respond to a series of questions by indicating which option best described their view. One question related to perceived value for money – but this did not ask people to indicate the level of fare they had paid. It is unclear whether the devices were pre-programmed with journey details or date/time information, but without this the results could be quite misleading. Passengers on the Whitehaven day trips were surveyed and would presumably regard the fares they paid as good value – but they would hardly be typical of the fares paid on most other routes.

#### **4. Examine whether any excessive charging has taken place.**

##### Overview:

Whilst we have found no evidence of charges in excess of those allowed by the user agreement, many passengers regard the higher levels of standard fares charged as being excessive. It would be helpful to have passenger opinion independently surveyed on this point. (but see para 3.9 above).

##### Comments:

Bearing in mind that the Company is only advertising its lowest fares and has only included Special Offer fares in its printed brochure for 2007, there is in our view an inevitability that people finding themselves charged up to twice the advertised figure will, notwithstanding the small print, feel that they have been charged an excessive fare.

The Select Committee might consider asking for the Company's complaints statistics on fares issues – also to enquire if they have any comments about fares from any Customer Satisfaction surveys they have conducted.

There are also a number of ways in which revenue can be increased without tariff prices being raised:

4.1 The company withdrew its frequent traveller scheme which effectively increased prices for those making more than 5 trips in a year by up to 20%. It was claimed that special offer fares effectively replaced this scheme. Whilst the scheme certainly pre-dated special offers, the two ran together for a number of years so for regular travellers this represented a real and substantial increase in travel costs. Suggestions of a replacement scheme have not materialised.

4.2 The ratio of special offer fares available at different price levels can be changed without apparent scrutiny. The lack of transparency in special offer pricing (see 3.2 above) means we are unable to determine to what extent (if any) this may have been done.

4.3 The five classes of standard fare (see para 2.1) are regulated by the User Agreement but the number of sailings to be offered at each fare level is not. It would be quite possible therefore to increase the number of sailings at higher tariff rates (and reduce the number at the lower bands). Examination of the 2006 and 2007 timetables suggests that this has not been done but there appear to be no safeguards provided for passengers in this respect.

4.4 When the on-line booking system was introduced for the 2006 season a discount of 2% was offered on standard fares. Special Offer fares were then quoted at approximately the same levels as 2005 but this now included a discount of £5 per foot passenger (single or return) and £10 on return car offers – i.e those unable to book on line suffered a £5 / £10 increase. In 2007 the on-line net prices remained unaltered but this included a higher discount for booking on line (£6 / £12) ie those who booked on line paid the same as the previous year but those booking by traditional means paid £1 / £2 more than the previous year. It seems perverse that what the company claims as an increased discount for on-line booking leaves prices unchanged for everyone except those unable to benefit from them.

It should however be noted that best prices across the travel industry are often only available to those who book on line. In a competitive environment this is acceptable but the Select Committee might wish to consider whether this is acceptable on monopoly life-line routes.

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4.5 There are a number of other charges which have been introduced – no doubt in line with industry practice – in recent years which will have been beneficial to the company’s revenue. Individually the charges are small but the cumulative revenue from them may be significant.

4.5.1 There is a £3 surcharge per transaction for payment by credit card. The 2007 brochure indicates “there is currently no charge for debit card payments”. If such a charge were to be introduced the company would no doubt benefit. Most ferry companies make similar charges.

4.5.2 An amendment fee of £5 per person is charged for changing special offer tickets. This is in line with industry practice for tickets on special offers. There is some feeling that as the “Island Lifeline” there should be some discretion shown where changes have to be made because of illness or bereavement.

4.5.3 A fuel surcharge was introduced during 2005. It is currently £2.50 per single passenger journey. The company state on their website: “This will be constantly monitored by the Steam Packet Company and may be adjusted in the future at our discretion.” The company have however indicated to TravelWatch Isle of Man that a formula has been agreed with the Department of Transport which allows them no discretion in this regard. This is apparently confirmed by the statement made by Mark Woodward in his “blog” on the company website dated 23 July in which he stated: “These charges are regulated by the Department of Transport by direct reference to the cost of marine fuels. When the cost decreases below a certain range, the surcharge will also decrease. The system ensures that the consumer is only charged what is fair and equitable”. We have not found specific reference to Fuel Surcharges in the documentation lodged in the Tynwald Library, nor discovered the relationship between fuel costs and the surcharge applied by the Company. We suggest that the Select Committee may wish to probe this further in the interests of transparency, particularly in the light of the recent MEA statement that they do not foresee any need for a Fuel Cost Adjustment over the next 12 months.

The application of Fuel Surcharges across the ferry industry is inconsistent – probably showing the tension between competition/market forces and bunker costs. The Select Committee may wish to probe further into this area to determine whether the current arrangements are equitable. There are few industries in a position to automatically recover additional costs of any sort from their customers. Whilst we recognise both that fuel costs have risen substantially over the last couple of years and that the Company will wish to offset those additional costs through increasing prices, we do not believe that a surcharge mechanism is the appropriate way of dealing with this on an on-going basis . Appendix 2 gives details of current ferry industry applications of fuel surcharges.

4.5.4 For those booking by phone the company provides an 0871 (national rate) telephone number. This is common travel industry practice and a proportion of the cost of each call is paid to the company. Although the local number 01624 661661 still works it seems no longer to be advertised. This means that Island callers are being encouraged to use a higher rate number for the company’s benefit when a local call would suffice. Those callers, whether on or off Island, who have inclusive telephone tariffs usually only have geographical dialling codes included in their free calls so would be able to call the 01624 number free but would have to pay for calls to the 0871 number. The Select Committee might therefore recommend that the company advertise its 01624 booking numbers.

## **5. Consider the standard of service offered to both passengers and freight users by the Company and the extent to which it is in accordance with the Company's agreements with the Government**

### Overview:

- The service requirements contained in the User Agreement relate mainly to the number and frequency of sailings, ports to be served and capacity (both freight and passenger) to be provided. We have seen no evidence to suggest that the company is not fully compliant in this respect.
- There is a need for service standards to be agreed across a number of areas not covered in the User Agreement(s).
- Performance against these standards should be reported and a remedy process established in the event of non performance.

### Comments:

5.1 It appears that the User Agreement was drawn up by the Dept of Transport and the Company without any form of independent market research or consultation with passengers to ascertain their service requirements. This shortcoming was identified by the Select Committee which reported in 1999 but it appears not to have been given any consideration when the User Agreement was subsequently extended. A review of the report and recommendations made by that Select Committee, insofar as they impinge on the terms of reference of the current committee is included as Appendix 6.

5.2 In view of the effective monopoly which the company holds, the lack of any agreed service standards and reported performance monitoring in the following areas needs addressing:

5.2.1 Cancellations and timekeeping – targets should be set and performance reported.

5.2.2 Complaint reporting procedures, response times and resolution targets. An analysis of the type of complaints received, particularly in respect of fares would be desirable. Standards should be set against which progress can be monitored.

5.2.3 What passengers can expect from the company in the event of cancellations:

5.2.3.1 method(s) of notification.

Our experience here is very variable. It has been reported that passengers who have supplied their mobile phone numbers have not received any notification of cancellations or delays. Our own enquiries reveal that passengers are unlikely to be contacted if delays are anticipated to be less than 3 hours. Other passengers report excellent service. Passengers need to know what to expect.

5.2.3.2 assistance the company will provide in the event of cancellations.

In the event of a Liverpool sailing being cancelled transport is usually provided for foot passengers to/from Heysham. At one time petrol vouchers were provided for affected motorists but this no longer appears to be the case.

5.2.3.3 During the TT passengers switched between ports appear to have been offered no such assistance – despite the absence of any connecting public transport for foot passengers at Heysham for passengers diverted from Liverpool. This can involve passengers in considerable extra expense.

5.2.3.4 Passengers with connecting travel arrangements / hotels can face considerable extra cost if sailing arrangements are changed. What is the company's position over this?

5.2.3.5 A mother travelling to the Island with young children from SE England found on arrival at the port that her sailing from Liverpool had been cancelled due to bad weather. Rather than travel on the 02.15 from Heysham she elected to stay in a hotel (at her own expense) and travel the next day. She was initially told that as she had not accepted the offered alternative sailing she would have to pay an amendment charge – although this was later retracted. /continued

5.2.3.6 Standards for coach transport and terminal facilities to be provided at times of disruption need to be the subject of consultation with TravelWatch in their capacity as passenger representatives. TravelWatch North West have produced a report on Rail Replacement buses which is pertinent to this. It is available on their website: [www.travelwatch-northwest.org.uk](http://www.travelwatch-northwest.org.uk).

5.3 The Select Committee should be aware that there are draft proposals from the EU to introduce minimum service standards for ferry operators both within EU and subsequently those from outside the EU (such as IOMSPCo) serving EU ports. Further details are provided in Appendix 4.

#### 5.4 Procedures in the event of delayed sailings:

- the first requirement is that the company should be “up front” about delays. Often the first passengers will know about a delay is after the vessel has sailed. Unless this arises from an incident during passage this is unacceptable.
- on-board staff seem ill-equipped to assist passengers with advice over onward travel arrangements. To carry rail and bus time tables on board for destination ports, plus a list of phone numbers for taxi companies would hardly be difficult to organise, would cost very little and would substantially enhance service standards.

#### 5.5 Information for passengers

5.5.1 Reliable and up to date information on sailings needs to be available both to passengers before they travel and those meeting them on arrival. Currently this can be provided in five ways:

- the company website
- the recorded sailing information line [01624 645745]
- Seawatch reports twice daily on Manx Radio
- Monitors in the Sea Terminal
- Text messages

The first two appear to be the responsibility of the Steam Packet’s duty staff to update, and in the absence of updates default to what amounts to timetable information. It is often the case that a vessel “arrives” 15/20 minutes later than claimed and passengers may reach the terminal up to 30 minutes after a so-called on-time arrival. 160807

Our experience is that at busy times staff often have other priorities which mean that when updated information is most required it is sometimes not available through these means.

The Seawatch reports used to be provided by Steam Packet staff live on air – which usually ensured that the information was reasonably up to date and accurate. They are now bulletins read by the radio announcer from a script written many hours before, and perhaps updated from the announcer’s own observations through the studio window. It appears rare for any updates to the script of the day to be broadcast.

The monitors in the Sea Terminal are controlled by the Port Security staff and appear to be programmed on a daily basis. There are no regular updates. A system similar to that used at the airport, giving details of arrivals and departures would be more useful – although it is recognised that this may not be cost effective against the number of sailings operated. Similar information needs to be displayed at the other ports the Company uses.

The Company introduced a system some years ago whereby passengers could be sent a text message in the event of delayed sailings. There have been complaints from passengers who have not received such messages despite supplying their contact details at the time of booking. Enquiries of the company suggest that the system is only implemented in the case of delays exceeding three hours – which we believe to be quite unsatisfactory. It also appears that at the time of the TT many delayed and diverted passengers (who had supplied their contact details) did not receive messages at all. We are therefore unclear whether this system is still being used by the Company at all. We would recommend that it should be used and that any sailing more than an hour late should be advised to passengers. Best practice in the industry would suggest that this should be brought down further and that an automatic text message should be sent to all pre-registered passengers confirming the status of their sailing – even when it is expected to operate on time.

#### 5.5.2 Passengers need ready access to information about

- how to compliment or complain to the Company (Passenger Comment Forms have been found on board but not in the terminals. The forms do not include any information about how to contact the company subsequently)
- service standards
- performance (reliability and timeliness)
- all fares and other charges
- a summary of the User Agreement and how to access full information.

#### 5.6 Connecting transport information

As already mentioned the ferry crossing will in most cases form only part of a journey. Information about onward transport (both on and off-Island) should therefore be provided to facilitate the total journey. A desk has been fitted out on the Superseacat Two to provide such information. The display board is in position, but the literature racks are empty of everything except a few copies of the Company's on-board magazine. It is particularly ironic that there is no information provided about the Ferrylink bus service which runs between Liverpool Pier Head and Lime Street Station – the timetable for which includes a full page advertisement for the Steam Packet Company! There is also no timetable information carried on board for Buses and Railways on the Island.

This is a common problem for passengers using our airlines as well. TravelWatch ISLE OF MAN provides connecting transport information on its website [www.travelwatch-isleofman.org](http://www.travelwatch-isleofman.org) to help both sea and air passengers. TravelWatch NORTH WEST published a report in July 2007 "Air Passengers and Public Transport" which is available on their website [www.travelwatch-northwest.org.uk](http://www.travelwatch-northwest.org.uk)

/continued

## 5.7 Through-booking facilities

We welcome the participation of the Company in the Rail and Sail scheme which enables tickets to be purchased between many main UK railway stations and Douglas – either via Liverpool or Heysham. Tickets can either be purchased from the Company in Douglas or on-line via some UK rail booking websites such as <http://www.thetrainline.com>

We believe this concept can be extended further to include multi-modal journeys. Rail/bus tickets are now commonly available in UK and Northlink Ferries are now offering through tickets to Kirkwall (Orkney) from UK railway stations. These recently introduced tickets include train to Thurso, a bus transfer to Scrabster, the ferry to Stromness and a final bus ride to Kirkwall. <http://www.northlinkferries.co.uk/default.aspx.locid-00gnew3av.Lang-EN.htm> The scheme is backed by HiTrans <http://www.hitrans.org.uk> which is tasked to improve public transport in the Scottish Highlands.

The UK ferry industry is showing signs of resurgence this year arising partly from the delays at airports and (probably to a lesser extent) because of increasing passenger awareness that ferry travel has less environmental impact. This is not a theme the Steam Packet Company has taken up yet – its “Go green this summer” advertisements are only being used to market Irish sailings.

Given these trends we would hope that if improved through booking facilities were made available that it would make it easier to attract foot passengers to visit the Island.

## 5.8 On board facilities

The 2004 User Agreement (para 2.3.3) requires the Company to “provide a minimum standard of on-board facilities broadly comparable with UK passenger ferry operators ...and allowing for differences in the scale of operations or other differences applicable”.

In terms of providing catering outlets, children’s play areas etc this requirement is met. However the comfort and layout of seating, facilities and general ambience of the company’s vessels, particularly on the fast craft, is below that of most other ferry companies on the Irish Sea. It must be in the interests of the company and the Island that the travel experience is improved for all passengers. Regular upgrades of existing craft are essential to provide higher standards for passengers

## 5.9 Terminal facilities

### 5.9.1 Heysham

- We welcome the recent improvements made to passenger facilities at Heysham Port.
- We appreciate that the changed vehicle check-in and queuing arrangements are not in their final form but would stress the need for passengers to have adequate access to toilets and other facilities whilst waiting to board the vessel.
- We are concerned at proposals to move the location of the railway station further away from the passenger terminal (possibly necessitating the use of a transfer bus).

### 5.9.2 Liverpool

- We welcome the new priority boarding system for foot passengers – and hope that it can be extended to the other ports at times when large numbers of foot passengers are travelling.

- We are encouraged by the efforts of Merseytravel, in co-operation with the Liverpool Terminal manager, to improve public transport links between the Pier Head terminal, the main railway stations and the City Centre but are disappointed at the Company's failure either to display the timetables on its vessels or to brief on-board staff of their existence – particularly as the Company has taken advertising space in the timetable.
- We look forward to the opening of the new vehicle marshalling and boarding facilities currently under construction. In the meantime approaching the terminal is like driving through a construction site.
- The standard of the current Passenger Terminal facilities is woefully inadequate, as the Company and its staff working there appreciate, and we would urge that all parties are encouraged to press ahead with plans for its replacement at the earliest available opportunity.

#### 5.9.3 Douglas

- The standard and provision of facilities at Douglas is good, reflecting the investment and improvements made in recent years.
- We would suggest an audit of signage in the terminal to ensure that required information is clearly provided and that outdated (and consequentially confusing) information is removed. TravelWatch Isle of Man would be pleased to assist with such an audit.

#### 5.9.4 Dublin

- The terminal is of a high standard
- The major drawback is the lack of regular public transport links with the city centre and shortage of taxis at the port. Although the Company's agent arranges a bus to meet incoming sailings it is doubtful whether this is sufficient to meet the obligations of para 3.9.1.1 of the (1995) User Agreement which states that the company is to "ensure that each selected port: has good accessibility ..... by public transport". In our view this is not within the Company's ability to provide and no alternative port is available which could remedy the problem.
- We would suggest the Company be required to ensure that a bus is provided from Dublin City Centre/stations to the Ferry Port to connect with sailings and that the times and starting point of this service be advertised. Irish Ferries provide such a service for their passengers.

#### 5.9.5 Belfast

- The company are now the sole user of the SeaCat terminal at Donegall Quay, an area we understand is likely to be re-developed in the next few years. The port authority appear to be moving commercial shipping berths seaward which may prove less convenient for foot passengers.
- Should the Company's Belfast berth be re-located we would ask that provision for public transport access for foot passengers be a key part of any plans.

**APPENDIX 1: TravelWatch *ISLE OF MAN***

TravelWatch *ISLE OF MAN* was founded in January 2007 in order:

**"To represent and promote the interests of Isle of Man passengers"**

**Our key objectives are:**

- To provide opportunities for passengers to express their concerns and needs
- To influence Public Transport Authorities and Operators to improve services for passengers
- To provide Public Transport Authorities and Operators with a passenger organisation to consult
- To encourage integrated public transport provision both on and off the Island
- To co-operate with other bodies in the interests of passengers.

In pursuit of these objectives TravelWatch *ISLE OF MAN* has had meetings with the Minister for Tourism & Leisure, the Airport Director, the Director of Harbours and the Director of Properties at the Department for Transport as well as the Director of Service Delivery at the Department of Tourism and Leisure. We have also held meetings with Directors of EuroManx, Manx2.com and the Steam Packet Company. A meeting is pending with Flybe.

Regular meetings of our steering group are held, to which all supporters are invited. The first public meeting is currently being planned. TravelWatch *ISLE OF MAN* has established its own website [www.travelwatch-isleofman.org](http://www.travelwatch-isleofman.org) which provides a range of information for travellers.

We welcome the opportunity to contribute to this review and also plan to contribute to the pending Bus Review.

The 1998 Select Committee of Tynwald charged with examining the performance of the Steam Packet proposed the formation of a Manx Transport Users' Consultative Committee. Their proposal was summarised in section 6.5 ff (pp 30-32) of their June 1999 report. Although this proposal was accepted in principle by Tynwald it was never acted on, and much of the analysis and many of the recommendations of that report remain valid today (see Appendix 6). The EC looks likely to endorse many of these recommendations on Maritime Passenger Rights (see Appendix 4).

TravelWatch *ISLE OF MAN* is chaired by Manx-born Brendan O'Friel who in 1998 was appointed by the (UK) Minister for Transport to head the North West Rail Passenger Committee. This was later superseded by TravelWatch North West which he also chaired before returning to live full time on the Island.

After input from supporters this submission was drawn up on behalf of TravelWatch *ISLE OF MAN* by Dick Clague, a specialist writer on the ferry industry and lifetime user of the Steam Packet who worked with the shipping industry in the area of Quality Assurance and service delivery standards.

Both submitted evidence to the 1998/9 Tynwald Select Committee on the Steam Packet Company.

## APPENDIX 2: FUEL SURCHARGES

Unlike the ocean freight market, where negative or positive Bunker Adjustment Factors (BAF) – reviewed according to a published formula on a monthly or quarterly basis – were a semi-permanent feature of tariffs, the passenger ferry industry has generally only applied fuel surcharges to fares on a temporary basis when fuel costs have been particularly high.

Whilst BAF calculations were historically made by the (about to be abolished) rate-controlling Liner Conferences and applied by all member lines of that Conference (as well as by non-conference member lines operating on the same routes) such collective rate and surcharge fixing has not been permitted by the EU competition authorities in respect of the ferry industry (or airlines) – so there has been no collective wisdom as to how, at what levels, and when these should be applied. Ferry companies have therefore made their own decisions with varying degrees of transparency. These decisions will no doubt have taken into account not only fuel costs but also the competitive situation in which the company concerned operates.

At the end of July 2007:

- **IOMSPCo** were charging £2.50 per head per single journey. An annual passenger throughput of 500,000 (a figure likely to be substantially exceeded in 2007) produces extra annual revenue of £1.25 million for the company.
- **Stena Line** were charging £2 on their Irish Sea routes
- **Irish Ferries** did not appear to be making any passenger fuel surcharge.
- **NorfolkLine** had withdrawn their previous £5 per head single surcharge on their Irish routes to/from Birkenhead.
- **P&O Irish Sea** were surcharging the Larne routes by £2, and £4 on the Liverpool-Dublin route.

Apart from NorfolkLine the above companies operate both conventional and fast craft services.

Further afield neither **Caledonian MacBrayne** nor **Northlink** (both state controlled/subsidised conventional operators serving the Clyde, Hebrides, Orkney and Shetland) were making a fuel surcharge. **Condor** (Channel Islands) charge £5.50 both per passenger and per vehicle (the only company we have discovered also surcharging private vehicle fares). Condor operate both fast craft and conventional vessels – but **HD Ferries** who have recently established fast craft services between the Channel Islands and on to France make no fuel surcharge.

Whilst it can be seen that IOMSPCo fuel surcharges are in the same ball park as those charged by other operators, not all Irish Sea operators have found it necessary/competitive to apply/maintain such surcharges. This suggests that not all operators are finding it possible to recover the additional costs arising from (continuing) high bunker prices, a device apparently allowed to the Steam Packet by their agreement with the Department of Transport.

Bunker prices (US dollars) on a daily / monthly / 30 day basis can be checked on websites such as [www.bunkerworld.com](http://www.bunkerworld.com) – but it is necessary to know which grades of fuel are used. It should also be pointed out that changes in exchange rates may to varying degrees offset some of the effect of US Dollar increases in bunker prices and that forward buying of fuel can also affect current costs.

### Recommendations:

- We would therefore suggest that the Select Committee scrutinises the formula agreed between the Department of Transport and the Company and has it published, to ensure not only transparency, but also with a view to establishing at what point the surcharge would be removed.
- We would also recommend that any current surcharges must be included in headline fares advertised by the Company, and that all bookings should (continue to) be taken on the basis of the surcharge applicable at the time of booking/payment.

## APPENDIX 3 : FARE COMPARISONS

The maximum return fare payable for a car + 2 on peak summer weekend sailings is £372 (including fuel surcharges). This fare would be discounted by 2% for an internet booking. The lowest (internet only) midweek any-length of stay special offer fare (available early Jan – mid March) is £108 – rising to £208 in summer. At weekends these special return fares are increased by £20 - £50 according to season. From this it will be seen that the range of fares available is complex – but fortunately the Steam Packet website displays actual available route and fare options clearly. Those unable to access the internet remain confused – and pay more.

Public reaction to the Company's fares is based on the fares which actually have to be paid – rather than the lower offers which may all be sold out before a booking can be made. Using the Company's on-line booking system it is only possible to look at forward availability and pricing. The following data reflects actual availability for bookings made on 29 July 2007 for the dates of travel indicated.

| <b>Return costs for car+2 adults.</b>   |                            |               |            |  |
|---|----------------------------|---------------|------------|--|
| Lowest prices available for on-line booking on 29 July 2007 and include fuel surcharges where applicable. |                            |               |            |  |
|   | <b>Outward travel date</b> | Sat 4 Aug     | Wed 31 Oct |  |
|   | <b>Return travel date</b>  | Sat 11 Aug    | Wed 7 Nov  | <b>NOTES</b>                           |
| IOMSPCo   | Heysham - Douglas          | £354          | £178       | conventional service                   |
| IOMSPCo   | Liverpool - Douglas        | £270          | £178**     | fast ferry ** return via Heysham       |
| Stena   | Holyhead - Dublin          | £319          | £174       | conventional service                   |
| Stena   | Holyhead - Dun Laoghaire   | £399          | £194       | fast ferry                             |
| Irish Ferries   | Holyhead - Dublin          | £317          | £172       | conventional service                   |
| P&O   | Troon-Larne                | £347          | £165^^     | fast ferry ^^ out 24 Sept return 1 Oct |
| Condor  | Portsmouth - Jersey        | £468          | £290       | conventional ferry                     |
| Condor  | Weymouth - Jersey          | not available | £331       | fast ferry                             |
| Northlink Ferries   | Scrabster - Stromness      | £151          |            | conventional ferry                     |
| CalMac  | Ullapool - Stornaway       | £206          |            | conventional ferry                     |

The above figures surprisingly show a higher cost from Heysham than Liverpool on the August dates. What this suggests is that there are no special offer fares available for the dates required ex Heysham but there are some from Liverpool. It is unclear to us whether this is the result of demand levels or whether the company is using pricing techniques to actually encourage more passengers to travel via Liverpool.

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The "Steam Packet Company TIMES" Issue No 7 Dec 06 /Jan 07 published a similar table based on fares at 20 March 2006, so these were already out of date. The same table also showed cost per mile on selected routes in 2006. Whilst this is a valid approach for ascertaining comparative value for money, it ignores the fact that the total cost of travel is more likely to be a barrier than the cost per mile. A family of 2 adults and 2 children travelling with a car on peak Saturdays can find themselves being asked to pay as much as £450 (Car +2, plus 2 children, plus fuel surcharge on a tariff A sailing). This is a lot of money!

01.08.2007

## APPENDIX 4 : EC POSITION ON MARITIME PASSENGERS' RIGHTS

The current **EC CONSULTATION ON MARITIME PASSENGERS' RIGHTS** may lead to legislation which would affect all passenger shipping companies serving EC ports.

In the White Paper "European transport policy for 2010: time to decide", the European Commission had proposed establishing passengers' rights in all modes of transport. The Community had since made substantial progress in air transport (on denied boarding, persons with reduced mobility and the identity of the operating carrier), and the proposal for a Regulation on international rail passengers' rights and obligations was currently in the late stages of the co-decision procedure. In 2006, the Commission had also completed a public consultation on the rights of bus and coach passengers. In its communication of 16 February 2005 on strengthening passenger rights within the European Union, the Commission had presented a policy approach extending passenger protection measures to modes of transport other than air. On maritime and inland waterways transport (for the purpose of these minutes, "maritime transport"), the Commission had identified the following fields of action: rights of persons with reduced mobility, automatic and immediate solutions where travel was interrupted, liability in the event of death or injury to passengers, complaint handling and means of redress, passenger information, and other initiatives.

On maritime transport, a proposal for a regulation on liability in the event of death, injury or damaged baggage was currently (Jan 2007) before the Council and Parliament. The Commission had launched a public consultation in January 2006 on the basis of Commission Staff Working Paper "*Strengthening the protection of the rights of passengers travelling by sea or inland waterway in the European Union*" containing a detailed questionnaire addressed to the Member States and other stakeholders on the other four chapters referred to above. The Commission had received 46 responses to the working paper.

Their proposals, and points being considered, come under four headings:

1. **Compensation for passengers in the event of denied boarding, cancellation and long delays** - Rapid remedies are required when things go wrong. Should there be a minimum standard for 'on the spot' remedies? Should there be a common standard? Consistency is required – passengers must be able to understand. Proportionality too – length of voyage should be a consideration. The Commission takes the point that weather may be a *force majeure*.
2. **Protection of rights of Passengers with Reduced Mobility [PRMs]** The Commission took it as an absolute that PRMs should not suffer discrimination solely on grounds of their disability. The related principle is that PRMs should be able to travel as freely as anyone else. From this flowed a need to provide proper access facilities and good information. There is a benchmark of PRM protection and support in 261/2004 and in the draft legislation on rail passengers' rights. The German government believes there is a need for harmonisation because ferries are usually interconnected with other modes. Many of these issues are practical like the narrow car-parking spaces on ferries and steep, narrow staircases up from the car decks.
3. **Complaints handling and redress** - The Commission generally accepts that a light-touch approach to complaint handling is best. Two approaches can be identified – either to conciliate and then if that fails to suggest a move to the Small Claims Courts. A second line is that, in case of non-compliance, the enforcement body may impose penalties on the licensed operator. In other states the complaints and the non-compliance issues are handled by a single body. The need for enforcement, the need to address not just complaints but systemic failures, the importance of consumer advocacy, and the development of best practice, the need for consumers' representatives to be involved in all this and for those to be funded adequately
4. **Quality standards** - passengers are as interested in quality standards as cost. Quality standards need monitoring independently. Some in the shipping industry claim that the regulation of quality is unnecessary in the conditions of a free market. (*TWIOM comment: Free market conditions do not apply to IOM routes*).

The consultation process with interested parties and representative has now been completed and proposals from the Commission are expected shortly.

**APPENDIX 5 - Details of decision on complaint made against RTÉ in respect of Stena Line's television advertising in Ireland.**

Complaint made by: Mrs. Catherine Duffy  
Ref. No. 103/07  
Station: RTÉ RTÉ  
Advertisement: Advert - Stena Line  
Date: 11 April 2007

**Complaint Summary:**

Mrs. Duffy's complaint submitted under Section 24(2)(e)(general advertising codes) of the Broadcasting Act, 2001, relates to an advertisement for Stena Line. The complainant states that Stena Line is advertising a fare of 70 euros for a car and plus driver travelling to England. However, she states that when she tried to book this fare through the company's Limerick office, the assistant made it quite clear that she could not avail of that fare. The cheapest fare she was offered was Eur 320. Mrs. Duffy, also states that she subsequently telephoned the Stena Line office in Limerick in an attempt to book a car plus driver, 28 days in advance as required, travelling out on 20 August and returning on 29 August, these being the relevant days, Monday to Thursday, on which the fare advertised is available. However, the fare quoted was still the same - ?320. The complainant, therefore, believes that this fare does not exist and that the advert is misleading.

**Station's Response:**

RTÉ in their response state that it accepted the advert in good faith. If Stena Line claim that fares are available to England at Eur 70, then RTÉ believe this fare does exist. As is the norm in the travel industry, advertisers promote their cheapest fares. The advert claims "fares from Eur 70". In order for the advert to be truthful, it is necessary for Stena Line to be able to show that there are a reasonable number of crossings available at this price. It is not for RTÉ to determine how many fares are available at this price to avoid the advert being judged misleading. The advertisement claimed that the Eur 70 fare applied to a single journey and was for the car and the driver only, travelling Monday to Thursday and subject to availability. The terms of the offer are clearly visible on the screen during the advert.

**Advertiser's Response:**

Stena Line state that it is difficult to be specific in relation to Mrs. Duffy's complaint as she had not provided the details of when she tried to book this fare, her proposed travel, date, destination, vehicle and number of passengers who are travelling.

Stena Line submits that the fare on offer is from Eur 70 single for a car plus driver, when booked online at least 28 days in advance, for travel on selected days and sailings and subject to availability. This is a valid publicly available lead-in fare subject to the customer meeting the necessary conditions for purchase. The script for the advert is as follows:

"Book 28 days in advance. Eur 15 supplement for telephone booking. Conditions apply. Travel Monday - Thursday, selected dates, subject to availability."

The price message is clearly given in the red dot device as "Britain from Eur 70 single car + driver". The call to action states: "Book early at stenaline.ie"

Stena believes that their advertising fully complies with general advertising code.

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**Decision of the Commission:**

The Commission has considered the broadcast, the submissions made by the complainant, the broadcaster and the advertiser. The advertisement promotes an offer for sailing with Stena Line to the UK. The Commission noted that the viewers are informed that 'conditions apply' and that the Eur 70 fare is for a car plus driver. In other words, the terms of the offer are visible on the screen during the advertisement. In assessing the complaint, the Commission had regard to Section 3.1. of the General Advertising Codes: all commercial communications shall be prepared with a sense of responsibility both to the individual and to society and shall not prejudice the interests of either. All commercial communications shall be legal, honest, decent and truthful'.

While the Commission acknowledges that specific terms were visible on screen in the course of the advertisement, the issue of availability was not alluded to. The Commission noted that the advertiser submitted in their response that in order to reply in detail they required specific dates for which the fare was sought. The Commission supplied the advertiser with the information. There was no subsequent submission from the advertiser. On this basis, the Commission adjudicated on the complaint with the information before it. Firstly, the broadcast item promotes a Eur 70 fare to the UK for a single car and driver, travelling on Monday through to Thursday, booked 28 days in advance and subject to availability. Secondly, the submission by the complainant gives details of her effort to attain such a fare. She was not successful. Thirdly, the broadcaster submits that they took the advertisement on good faith; if Stena Line claim that fares are available to England at Eur 70, then RTE believe this fare does exist. Fourthly, the advertiser submitted that to respond to the complaint, they required further details of the travel arrangements sought by Mrs. Duffy. The Commission forwarded such details to the advertiser, but no response was submitted.

The complainant initially contacted a Stena Line office in Limerick in early April to try to avail of the advertised offer. The cheapest return fare she was quoted at this time was Eur 320. She subsequently contacted the same office on 25 April 2007 looking for travel on Monday 20 August and returning on Wednesday 29 August. She was again quoted Eur 320. The Commission would acknowledge that it is common practice for advertisers to promote their cheapest fares. However, such fares must be reasonably available for it to be an honest and truthful offer. Including the caveat 'subject to availability' does not exclude the advertiser from the obligation to ensure that the offer is realistic i.e. the fare is reasonably available.

In the opinion of the Commission, the advertiser failed to produce evidence that was contrary to the submission made by the complainant. There was no information submitted that informed of the availability, or otherwise, of the fare on offer. The complainant submitted that the cheapest fare she was offered was Eur 320 for a return journey. On viewing the advertisement, it is evident that Stena Line was (and still is) running an 'offer'. Normally such 'offer' strategies are pre-planned and therefore, the company should have been in a position to submit the details of the offer, and how the organisation is implementing it.

On assessing the written material submitted and the broadcast, the Commission was of the opinion that the advertisement does not inform the viewer sufficiently of the terms of the offer. In the view of the Commission, the advertisement clearly promotes an offer of Eur 70. On foot of the advertisement, the complainant contacted Stena Line, but the best fare she was offered for the round trip was Eur 320. Therefore, the Commission determined that the advertisement breached 3.1 of the General Advertising Codes and in particular, the requirement to be truthful and honest.

## APPENDIX 6 – Comments on the 1999 Select Committee Report and Recommendations.

### A - Summary of those parts of the earlier report which relate to the issues being considered by the 2007 Select Committee

#### 1 General conclusions:

- the company lacks customer awareness although it is reactive after events.
- the Linkspan User Agreement provides no public sector mechanism to determine customer needs.

#### 2 Examples of Best Practice:

These were suggestions that the company (and other carriers to and from IOM) should consider adopting in both the public and their own interest:

- **Customers' Charter**
- **Customer Services Committees** to include customers in England and Ireland as well as the Isle of Man.
- **Customer Satisfaction Surveys**
- **Open Forums**

#### 3 Recommendations:

After reviewing various models of public sector regulation of services, including the Linkspan User Agreement and the (UK) Rail Users Consultative Committees (the Scottish one is responsible also for CalMac) the following recommendations were made: **Legislation be introduced to establish a Manx Transport Users' Consultative Committee** (which would cover all passenger and freight carriers to the Island). Its responsibilities to include:

- timetabling
- fare structures and special fares
- provision of information on services including cancellations, delays or alterations
- reliability and punctuality
- number and nature of customer complaints
- degree of compliance with best practice proposals

### B – Comments on the above in the light of subsequent developments in UK and elsewhere.

- We believe that the above General Conclusions are still valid. The shortcomings identified 8 years ago have not yet been systematically addressed.
- The Steam Packet Company has carried out Customer Satisfaction Surveys for its own purposes but the results have generally not been made public. Para 4.3 (p23) of the 1999 report commented “If the surveys are to have a value there must be an independent element in them. Commonly the survey form is constructed independently”. We believe that this statement is still valid as no such independent element appears to have been included so far.
- The other examples of Best Practice have not been adopted.

In terms of the recommendation for Legislation to establish a Manx Transport Users' Consultative Committee, we would point out that there have been considerable changes to the situation in UK on which this recommendation was based. The statutory models covering rail users' consultative committees no longer apply and the application of EU rules for subsidised ferry services has involved major and costly changes in the organisation and structure of Caledonian MacBrayne, as well as the introduction of competitive tender processes which have failed to attract other bidders.

In London and Scotland statutory passenger representation is in place. In some of the English regions, including the North West, non-statutory TravelWatch organisations have emerged– which now cover many forms of public transport. This enables focus on the complete travel experience rather than just a single component of the journey. In the UK these organisations have representation and support from local authorities and transport undertakings, as well as from various passenger representative groups in their areas.

TravelWatch *ISLE OF MAN* has started to provide representation for Isle of Man passengers on a non statutory basis and with very limited resources