

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

Related Lawyers: **Anthony Maton, Anna Morfey, Charles Laporte-Bisquit**

Related Practice Areas: **Competition Disputes, Consumer Claims**

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.

Stagecoach South Western Trains, First MTR 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.

Anthony Maton, Managing Partner at Hausfeld & Co. LLP said: *"This claim is about rail passengers being able to recover what is rightfully due to them. This is only the fifth collective action in the Competition Appeal Tribunal and the first brought without the benefit of an underlying regulatory decision. We're very pleased to be co-counsel for Mr Gutmann on this ground-breaking case."*

Dorothea Antzoulatos, Director of Charles Lyndon, said *"Charles Lyndon has worked extensively with Mr Gutmann to develop this case which seeks to recover compensation for millions of rail passengers who have overpaid as a result of what we believe is the behaviour of the defendants. We are delighted to be working together with Hausfeld & Co to represent Mr Gutmann in what will be the first stand-alone collective action in this country. A case such as this would not have been practicable before the introduction of the Consumer Rights Act 2015 and we hope that as a result of this action millions of rail passengers will be able to recover the compensation that is due to them."*

Will there be any cost be for class members?

There is no cost for class members. This action is being funded by Woodsford Litigation Funding, a specialist litigation funder. By absorbing both the costs and risks associated with a claim of this size, Woodsford is enabling the claim to be brought and ensuring that as many rail passengers as possible benefit from this legal action.

Woodsford's Chief Investment Officer, Charlie Morris, stated: *"Third party funding facilitates access to justice and is an integral part of bringing collective actions such as this boundary fares claim. Woodsford is looking forward to helping millions of rail passengers achieve the compensation they are entitled to."*

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, more detail will be provided 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, www.BoundaryFares.com to sign up for updates.

Further information

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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. He also spent eight years working for London Underground as a Market Planning Manager.
- Justin Gutmann is represented by Charles Lyndon and Hausfeld & Co LLP.