

# Customer satisfaction

*With changes to the rail franchising process on the horizon, FARAH AL-HASSANI looks at the new focus on customer satisfaction, and the role NRPS is likely to play in decision making and auditing performance*



*Farah Al-Hassani is a lawyer in the rail team at law firm Stephenson Harwood LLP*

The National Rail Passenger Survey (NRPS) results show the national average figure holding steady and passenger satisfaction remaining at a near record high. Yet despite this promising statistic, the results by route and category paint a less optimistic picture with wide variances in passenger satisfaction amongst train operators and many operators scoring poorly across the board, from reliability and punctuality to managing delays.

The forthcoming round of new franchises is viewed by many as a chance to address the disparity in satisfaction levels and increase accountability to rail passengers – and recent activity suggests that NRPS is likely to play a key role.

NRPS is undertaken by Passenger Focus and provides a network-wide view of passenger satisfaction with rail travel. It serves as an important indicator of performance to operators and a useful tool for identifying trends in performance over time.

Train operators have individual responsibility for implementing measures to improve passenger satisfaction but few have historically faced contractual targets or financial penalties: franchise targets have traditionally focused on measures such as punctuality and crowding rather than softer service quality type measures.

Change is however on the horizon, thanks in large part to the recommendations of the Brown Review which followed the collapse of the West Coast franchise procurement in 2012.

One of the key recommendations was to place greater emphasis on improving service quality for passengers in the franchising process, by attaching higher scores and weighting to quality in bid assessment.

Brown recognised that in order to improve overall service, the needs and expectations of passengers ought to be given much greater attention. Several recommendations were made to enhance the use of NRPS, including more closely reflecting results in franchise commitments and ensuring its use in performance-monitoring.

## **A new focus on quality**

The DfT has since published a new methodology for awarding passenger rail franchises which places significantly greater emphasis on service quality outcomes. It is an unequivocal endorsement of Brown's recommendations which sees the introduction of a specific quality score in bid evaluation, intended to reflect

bidders' abilities to meet the most important issues of each franchise.

Train operators are now being challenged to improve services across the spectrum of passenger experience and put service at the heart of all company decisions. A new focus is evident in the recently awarded TSGN and Essex Thameside franchises and the ITT for the East Coast franchise – and the DfT has indicated through its consultation exercises for the Northern, TransPennine Express and Great Western franchises that a similar approach is to be expected on future franchises.

The DfT has worked closely with Passenger Focus to develop the service quality specifications for forthcoming franchises and consider mechanisms for incorporating NRPS results to ensure appropriate passenger benefits are delivered.

The result is new, contractually binding benchmarks linked to NRPS results which will be used to determine performance against benchmarks set out in the franchise agreement. Train operators will, as a minimum, be expected to achieve the benchmarks to demonstrate delivery of good customer service which is measured and tested against customer expectations. By setting targets, it will ensure a focus on the customer which many argue was lacking in past franchises.

The benchmarks are based on a variety of indicators of passenger satisfaction drawn from NRPS results. Bidders will need to provide compelling evidence during the bid phase to demonstrate how their initiatives and actions will achieve the benchmarks and deliver a high level of customer service, whilst also highlighting potential risks and how these might be overcome. Higher scores may be rewarded to those exceeding minimum requirements and demonstrating innovative ideas, again signalling the DfT's commitment to rewarding "quality" bids.

## **The future**

Although the new NRPS obligations are by no means revolutionary, the changes will nevertheless place greater obligations on all parties and provide a renewed focus on improving passenger satisfaction. The extent to which bidders meet or exceed the requirement to improve service quality now forms an important part of evaluation and bidders will need a clear evidence base and management initiatives to persuade the DfT of their capability to improve passenger satisfaction. Using NRPS to help benchmark and incentivise improvements should help train operators focus on passenger needs and inherently improve satisfaction levels. ■■