

15 April 2022

Dear elected member,

I wrote to you last year to make you aware of proposed changes to our Terms and Conditions that we are considering. These changes would address a significant problem: at the moment there is no incentive for customers to give us early notice of changes or cancellations to their booking. Some customers therefore cancel their bookings at very short notice. This results in unused deck space, thus denying other customers the opportunity to travel.

Over the last eight months we have been developing our proposal to ensure it is proportionate, and comparable to the policies of other UK ferry operators. I therefore wanted to provide you with an update on the consultation we are about to begin on how the proposed changes to Terms and Conditions should alleviate this problem and optimise deck space usage.

CalMac Ferries moves 5.7 million people around the Clyde and Hebridean Islands annually, operating around 500 services per day in the summer. With the introduction of the road equivalent tariff (RET), traffic across our network has grown by 37 percent in the last seven years. While good news for local economies, this does present capacity constraints, especially at peak times. We are investing resources to understand and manage demand better.

Terms and Conditions – cancellation levy

We identified that standardising the way passengers' book and pay for sailings, and consistently applying our Terms and Conditions, is key to optimising deck space.

Our CHFS2 proposal outlined a tiered cancellation structure (excluding commercial customers with block reservations), and we have previously adopted some of these elements. However, we now need to apply additional tiers and modify our cancellation levy to incentivise earliest notification of cancellations, allowing us to reallocate vehicle deck space. The table below outlines the proposed levies and notification periods:

Proposed cancellation levy (excluding commercial block reservations)	
Cancellation options	Cancellation levy
29 days or more before travel.	Deduction of 25% of the total vehicle fare.
Between 8 and 28 days before travel.	Deduction of 50% of the total vehicle fare.
Between 24-hours and 7 days before travel.	Deduction of 75% of the total vehicle fare.
Less than 24-hours or failure to show for travel.	Deduction of 100% of the total vehicle fare.

Terms and Conditions – amendment levy

The table below outlines the proposed levies and notification periods:

Proposed change levy (excluding commercial block reservations)	
Amendment options	Amendment levy
Change the date or time 48-hours or more in advance of travel.	£10

Customers cannot make amendments within 48-hours of travel. However, they have the option of cancelling. To change route or vehicle type they must cancel the reservation and make a new one.

We recognise that from time to time, a customer may be required to cancel or amend travel because of circumstances beyond their control. We propose to retain the following exceptions to our policy:

- Death of an immediate family member
- Debilitating illness preventing travel
- Involved in a road traffic accident
- Multivessel journey where one leg of the journey has been cancelled by us.

However, we also propose adding the following exception to this list:

- NHS National Services Scotland cancelling an appointment.

This proposal is aimed at discouraging those who make multiple reservations, then cancel the ones they no longer require at late notice, often too late for us to reallocate the space. More rigorous application of our Terms and Conditions is an essential step in better managing deck space capacity.

Consultation process

Beginning this month, we will follow our approved consultation process across the eight appointed Ferry Committees/Transport Forums. Each consultation period will last 30-days, after which we will collate all feedback, review, and assess any impact. After follow-up consultation our findings and responses will be published in June 2022.

It is worth emphasising that in order to have a comprehensive view of vehicle deck space we must also consider commercial block booking customers. We are already engaging with these customers to ensure we accurately understand their business requirements, which will allow us to make the best proposals on any future changes to Terms and Conditions in the coming months that might pertain to this sector.

I hope that providing you with this context is helpful should you be contacted by local constituents who may have questions.

Yours faithfully,

Diane Burke

Diane Burke
Commercial Director