

By email 30/05/22

Dear Alan and Blair

Thank you for meeting with us last week to discuss the proposed changes to CalMac's ticketing terms and conditions. I'm writing to confirm and expand upon the points made at that meeting, and to confirm our overwhelming and strong disapproval for them.

Scale and nature of the 'no show' problem appears poorly understood.

In Diane Burke's letter explaining the proposal (attached), it is justified on the grounds that passengers "...cancel their bookings at very short notice. This results in unused deck space". We were also told that of the 190,000 'no-shows' each year, 46% (or 87,000) occurred on the Craignure-Oban route. Total car carryings on the route were 170,000 in 2019. 87,000 'no-shows' is 51% of the total recorded carryings. It is not credible that this huge proportion of vehicles failed to travel or cancelled their bookings at very short notice.

What actually happens on our route is that very often vehicles will travel on a different sailing to that for which the ticket was originally purchased. That may be for a number of legitimate reasons often out of travellers' control, such as traffic delays, or weather warnings. These vehicles are not therefore 'no shows', but changed travel plans.

Mull is also unusual in the network in having an alternative route to and from the mainland at Lochaline, and often late decisions are taken to change which ferry will be used, frequently due to weather disruption. Tickets purchased for Craignure-Oban are routinely honoured on Lochaline-Fishnish, and it is not clear that these instances are captured in your data.

We therefore have low confidence that the scale and nature of the 'problem' is understood, and therefore the 'solution' is inappropriate.

The problem is not passenger behaviour, but CalMac systems.

The current ticketing system is very crude. In particular the accuracy with which it can allocate deck space to each size and type of vehicle is low. There appears to be a tendency in the system to compensate for that inaccuracy by under-selling sailings. Sailings marked as 'full' online regularly depart with spaces, even early in the day. The scale and frequency of this unused space cannot be solely explained by 'no-shows'. Inaccurate matching of ticket sales to available deck space is a major contributor, as argued by CalMac themselves, who are introducing a new ticketing system that is intended to make things more accurate.

Improved deck space allocation should enable more tickets to be sold for each sailing, therefore utilising the vessels better. It will also give passengers more confidence that published ticket availability is more accurate. Currently, if a vehicle arrives earlier than planned, they are often carried on that earlier sailing because there is often spare space. It appears that this is recorded as a 'no-show', but the cause is not the passenger's poor time keeping, but CalMac's inaccurate ticket sales system. If space on that earlier sailing had been sold more accurately it would have made it less likely for passengers on the later sailing to move forward 'on spec'.

With such a major change to the ticketing system about to be introduced, we suggest it would be more appropriate to first of all put all efforts into making ticket sales more accurate, rather than introducing penalties for passengers who's behaviour is a rational reaction to the current, very poor ticketing system.

The proposed charges are punitive and disproportionate

Whilst it may be stated in the current terms and conditions that tickets will only be honoured on the sailing for which they were purchased, in practice that is not the case. Tickets are freely accepted, regardless of which sailing they were originally bought for. It is not therefore correct to suggest that the proposed 100% penalty for changing sailing less than 48 hours before departure is 'no change'. It

is a huge and entirely disproportionate change to address a perceived 'problem' that the company appears to place entirely on its customers.

The problem identified is (to quote from Diane Burke's letter) passengers who "...make multiple reservations, then cancel the ones they no longer require at late notice, often too late for us to reallocate the space." . If this indeed the problem (and as stated above, we don't believe it is), then the solution (with the aid of the soon-to-be-introduced ticketing system) is to identify those 'offenders' and focus on them. What is proposed is a crude, highly punitive sledgehammer to break a very small problem 'nut'. Under the proposals, someone who arrives late due to congestion en-route (or any other legitimate issue) will have their entire ticket fee forfeited. Such a penalty will only penalise completely innocent passengers un-necessarily and disproportionately. Is it fair to have 100% of one's ticket forfeited because of heavy traffic, poor weather or a breakdown en-route? We understand that the new ticketing system will store passenger details against all tickets, and most will be identified by customer account. It should therefore be an easy exercise to identify passengers who repeatedly purchase tickets and then don't use them. Placing the threat of 100% loss of fares over all passengers is punitive, unfair, stressful, expensive, and dangerously corrosive to the principles of the Road Equivalent Tariff and life-line service provision.

Fails to understand island life and the nature of the ferry service

The ferry system is an extension of the road network, as embodied in the 'Road Equivalent Tariff'. Islanders' journeys are often essential, part of everyday life and business, and not discretionary. Justifying the proposal (again quoting from Diane Burke's letter) on the grounds that it is "...comparable to the policies of other UK ferry operators", demonstrates a lack of understanding of how the ferry service is used. The service between Craignure and Oban with 20 departures each day in summer, is more comparable to a local bus service than a cross-channel ferry. It is a public service, as essential as a road, and should be as easy to use as a bus service. Our journeys are not planned weeks ahead, but just a few days or even just hours. Flexibility and freedom is a fundamental requirement of life-line public ferry services, and these proposals will only undermine those principles.

It is also inaccurate to say that punitive charges like this are common-place in other UK ferry operations. From a survey of other operator's websites, such restrictive and punitive charges do not seem to be the norm:

Northlink- bookings can be changed without charge and cancelled up until the day of departure with a full refund.

Pentland Ferries – bookings can be changed with no charge

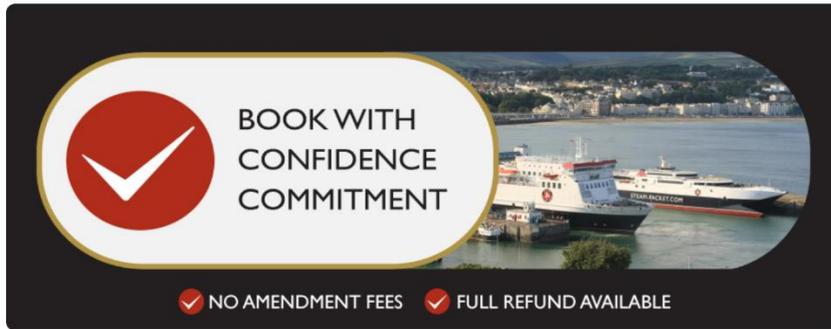
Orkney Ferries – regular travellers use multi-journey books that can be used on any sailing, and specific-sailing tickets can be cancelled with a full refund if done more than 24 hours before departure.

Western Ferries – no bookings, just turn up and go.

Shetland Ferries – regular travellers use multi-journey books. Specific-sailing tickets can be cancelled with full refund.

Stena – the degree of flexibility and refund varies with the type (and cost) of the ticket. Some are fully flexible and refundable, others not.

Isle of Man Steam Packet Company – see below.



Wightlink – see below:



Book with confidence

When you book with us you can be confident that if your plans change, you have the flexibility to amend your booking. With our Standard tickets, you get:

- FREE online amendments to your travel dates
- Unlimited FREE travel date amendments
- Full cancellation refund in advance of travel, minus a £5.00 fee

For peace of mind and full flexibility, we recommend booking with a Standard vehicle ferry ticket. If you purchase an Economy ticket, you can still amend your travel dates for free, but full cancellation charges would apply.

[Explore our vehicle ticket options](#)

We can see no evidence of CalMac's contention that punitive cancellation charges are the 'norm' in the wider ferry industry.

The Problem is lack of capacity and a failure to plan for impacts of RET

A more relevant comparison of ticketing policy on domestic public ferry services is not with P&O or Stena, but Norway. We have taken inspiration from the Norwegians on RET, but we have failed to plan for its impacts. It is stated that traffic has increased by 37% in the past five years as if that was a surprise in some way. The increase in demand generated by the introduction of RET was entirely predictable and predicted – yet very little was done to increase capacity in preparation for it. On Mull we had a second vessel introduced in the summer, but the Coruisk (and now the Loch Frisa that replaces her) are completely inadequate.

In Norway, the vast majority of domestic ferry services do not require to be pre-booked. There is ample capacity and high frequency. Vehicles turn up and board; and if there isn't space they get the next sailing – which is often minutes rather than hours away. Thus Norway don't just have road-equivalent **tariffs**, but a road-equivalent **service** also.

So rather than introducing punitive fines on **islanders** for failing to travel according to plan, what is needed is a fast and radical increase in capacity. We should not be punished for government failure to plan for the very predictable impacts of RET.

Damaging to the economy

Businesses and individuals need flexibility and freedom, not a rigid and punitive scale of punishments. To repeat the examples given in our meeting – a) Hauliers who would prefer to travel via Oban will instead favour the (unbookable) Lochaline-Fishnish service. A return ticket for an HGV via Oban is hundreds of pounds, and the prospect that would all be forfeited in the event of delay in

arriving at the port will be a big deterrence to using the service at all. b) tradespeople and delivery drivers making daytime journeys to Mull will be deterred from travelling, if they cannot make short-notice decisions on which sailing to use. It is common practice for delivery vehicles to book a 'worst case' return sailing, but will often return to the port ahead of time if they have completed their work or deliveries faster than anticipated. The punitive charges proposed will result in delivery drivers sitting idle perhaps for hours, waiting to travel on their booked sailing, adding cost to the business. Tradespeople may well decide not to travel to Mull at all, if they do not have the flexibility to change travel plans without being financially penalised.

The impact on farmers and crofters is particularly punitive. Their livestock movements are often dictated by weather conditions. They may be forced make a choice between animal welfare and avoidance of a CalMac fine.

Administrative burden

The proposed system together with its limited list of exemptions will result in costly, frustrating, time-consuming administration, particularly for the company itself. For example- passengers who have missed a ferry because of a hospital appointment running late will not be exempt from the charge, but those with a cancelled appointment will. Passengers who themselves are too ill to travel will be exempt, but those cancelling a trip because the person they are visiting is ill will not.

Someone involved in a road traffic accident will be exempt from the charge, but someone delayed by a traffic jam caused by an accident will not. Someone who diverts to Lochaline because of a Calmac weather warning on the Oban service will not be exempt, but someone who misses a ferry because a connecting ferry journey was delayed due to weather will.

There are innumerable scenarios where a claim against a CalMac charge will be reasonable and strongly argued, which will inevitably consume huge amounts of passengers' time in appealing, and the time of CalMac staff in dealing with it. This will only add to the cost and inconvenience of customers, and also the workload, stress and expense of employees.

The potential for dispute between staff and passengers at check-in will only be heightened. Port staff will be in the invidious position of having to adjudicate between passengers who have fallen foul of CalMac's terms and for whom the stakes will have become much higher. They face losing their fare, as well as their place on the ferry if they arrive two minutes after check-in.

A policy apparently aimed at revenue generation

The upshot of these proposed punitive charges is that CalMac will generate more ticket revenue. If a ticket becomes invalid because of late arrival or changed plans, the company will be the prime beneficiary – the car space will have been sold twice. To users, this is another example where it feels like customer service comes a poor second to the commercial and operational preferences of CalMac.

Poor consultation

MIFC first learned of this proposal when passed a letter by a journalist in mid April, that was intended for MSPs. This is not how good community consultation, particularly on such a sensitive topic should be carried out. Consultation should be a dialogue aimed at an identifiable outcome or problem without pre-conceived solutions. Instead we have the unilateral issuance of a new policy to which we have no option but to react defensively. It follows on from a complete absence of any consultation on the new ticketing system being introduced later this year. MIFC have had no contact from CalMac regarding the new ticketing system for more than two years. Most of what we know about the new system has been gleaned from second-hand information. Furthermore, despite being told that many hundreds of passengers have been consulted in the process of devising the ticketing system, we can find no-one on Mull or Iona who has been consulted in any way. It is therefore no surprise to us that on top of the new ticketing system, this draconian set of charges is being

proposed without any kind of collaborative discussion. Unfortunately we feel yet again that users are not seen as partners, or a useful resource who could assist with shaping policy most effectively. If CalMac management could not foresee the response that island communities would give to these proposals, they are proven to be out of touch and distant from the islands they serve. If they did foresee the response, they demonstrate disdain for the communities they serve.

Islands Act and the requirement for an Island Communities Impact Assessment

During our meeting, we were told that an ICIA would not be carried out on this new policy because “David MacBrayne are a relevant authority in the Islands Act, but CalMac ferries Ltd are not.” We are shocked and appalled at the cynical approach to the Islands Act that this response demonstrates. It appears that rather than respect the Islands Act both in spirit and law, CalMac are seeking to dodge their responsibilities toward island communities with a contrived and highly questionable technical interpretation of the legislation. CalMac Ferries Ltd are a wholly-owned subsidiary of David MacBrayne Ltd. David MacBrayne’s only Scottish activity (and therefore only relevance so far as the Islands Act is concerned) is running ferries to Scotland’s islands. The only reason for including David MacBrayne as a relevant authority under the Islands Act is in relation to the ferry operations of its subsidiary. That CalMac Ferries Ltd should seek to undermine the Islands Act and the protections it gives to island communities by attempting to interpret the Act in such a cynical manner is an affront to the island communities the company exists to serve.

CalMac should immediately commit to a full and meaningful ICIA of this proposed policy. The Islands Act requires that policies, services and strategies are tailored to the unique circumstances of Scottish islands. The central objective of the Act is that policies are not just copied-and-pasted from other regions or systems without full and meaningful consultation that results in a policy that properly reflects the unique circumstances of island life. The justification for this policy given in Diane Burkes letter was that it was “comparable to the policies of other UK ferry operators”. This justification is the complete antithesis of the objectives of the Islands Act. Adopting a policy in Scottish islands on the grounds that it matches the norms from other regions is explicitly the kind of policy-making that the Islands Act is designed to prevent.

How CalMac should ensure vehicle deck use is maximised

Rather than adopting this ill-conceived crude and punitive set of charges, CalMac should instead take advantage of the impending new booking system to maximise utilisation.

If deck space calculations are more accurate: a) More deck space will be available to purchase, because the company will not have to under-sell to avoid the risk of being unable to ship a booked customer. b) If customers have greater confidence in the booking system, they will tend to turn up on spec much less. They will know that unlike currently, if the sailing is indicated as ‘full’ it is much more likely to be full in reality. c) Make it free and easy for bookings to be amended, and ensure that if a ticket for a named sailing is presented at another, the booking record is automatically adjusted. d) If there are persistent abusers of the system as suggested, use the booking system to identify who they are. For example, if someone is regularly booking on the 5pm but always travels on the 2pm, ask them to change their behaviour. Only as a last resort should there be any element of punishment. e) work collaboratively and constructively with block-booking customers to minimise the impact of changed plans on their part.

Equal access to ferries should be the priority, not punitive fines

One of the biggest issues that islanders’ face is the unfair ‘first-come-first-served’ booking system. It is prejudiced against islanders. “First-come-first-served” prioritises those who can book furthest ahead of time, and penalises islanders who cannot plan every journey weeks ahead. We have been repeatedly writing and arguing for this critical issue to be remedied, but nothing has been done. Instead of listening to the needs of islanders, we instead have this ill-conceived proposal that seems

to have its origin in the operational preferences of a distant mainland management, rather than the needs of the islanders who rely on the service.

We will shortly release the results of our own proposal, the 'Samsø System', modelled on the operation of public ferry services to the Danish island. We should be learning from the best practice of other public ferry operators who demonstrate real understanding of what a lifeline service should deliver.

Finally, we do appreciate the time taken to speak with us, and your personal commitment to listen. Our criticisms are of the policy and how it was developed, rather than your personal involvement in communicating it to us.

With best regards

Joe



Mull & Iona Ferry Committee

www.mullandionaferrycommittee.org

Joe Reade, Chair.

joe@islandbakery.scot