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Dear Tom

## **ORR Market Study - Update from Rail Delivery Group Limited**

In response to the ORR's market study recommendations made earlier this year, RDG made a commitment to the ORR to deliver against 9 key workstreams which are designed to make the process of accreditation more effective and efficient for Third Party Retailers, Retail System Suppliers and RDG. The workstreams also seek to create an environment which makes it easier for new entrants to both engage with RDG and enter into the rail retailing market with new retailing and technology propositions.

### **ORR Review of Workstreams**

Following the ORR review of RDG's progress against the 9 key workstreams that took place at the end of November, RDG agreed to formally publish the progress we have made in the form of this letter.

Given that this is a work in progress, RDG are content to enter into further discussions with all parties in order to further refine or adapt these commitments so we ensure we are driving the anticipated outcomes. The current status of each of the 9 key workstreams that RDG committed to undertake is set out below.

- 1. Revise Accreditation Mandate** – The revised Accreditation Mandate was endorsed by the Fares & Retail Group on 22 November 2018 and this has now been published on the RDG website under the heading of 'Our Services/RDG Accreditation'  
<https://www.raildeliverygroup.com/our-services/rdg-accreditation.html>

In addition to this RDG Accreditation are submitting to the Fares and Retail Group 24 January 2019 an endorsement for governance around non-accredited systems.

- 2. Update RDG Website** – A refreshed Accreditation section of the RDG website has been completed and published. We will continue to update this area with new information as it comes to hand, in particular the FAQ section which will grow as more common questions are identified and published along with answers.
- 3. Improve Onboarding Guidance** - This has been delivered as part of the previous workstream with the introduction of workflows and templates which are available via the RDG/Accreditation website. The Accreditation Guide is on hold awaiting the outcome of the proposal being submitted to the Fares and Retail Group 24 January 2019 around the introduction of annual accreditation.
- 4. Create Pre-Accreditation Process** - RDG appointed an Accreditation Support Manager who is now leading in this area by promoting earlier engagement between new entrants and the accreditation

team. They are also working closely with the RDG Licensing team to ensure all sides are clear on what a new entrant is being licenced to retail and what that would involve in terms of applicable standards and accreditation.

5. **Review Governance of Standards** - RDG has set up an internal Retail Steering Group which brings together technology, accreditation and licencing leads within RDG and which has been tasked with identifying the appropriate subject matter expert for governance over each particular standard. This is covered in RSPS 9000 which is currently out for review and RDG would encourage suppliers, third parties and TOCs to comment and submit their views by the 28<sup>th</sup> February 2019.
6. **Review Standards** – RDG has completed its review and identified that the majority of standards are fit for purpose, the analysis did identify that not all standards are relevant to all retailers, as their retail offerings may differ. The aim going forward is to tailor licenses more closely to the retailer’s specific requirements which will ensure a more appropriate level of accreditation. This will be piloted with the next new applicants requesting a license, a review will then be carried out by June 2019 to ascertain if this approach is working.
7. **Pilot Streamlining Testing** - The scope of what can be automated has been identified and covers; standard processes, accreditation test cases, E2E automation scripts and auto generate compliance reports. It looks to automate both the testing as well as the processes used to request and grant accreditation. Work is now underway to design and create the automated test scripts/processes, and this is expected to be shared and commenced by end of February 2019. In parallel RDG will identify and approach appropriate supplier(s) who would like to take part in a pilot. Two pilots will be run with an evaluation during May 2019 to ascertain if this is of benefit to suppliers.
8. **Pilot Retrospective Accreditation** - RDG have prepared a white paper on retrospective accreditation, but this has been put on hold while we investigate an alternative approach which has emerged during discussions around the other workstreams. A revised proposal is being worked up and would involve the potential removal of the 3 year accreditation requirement and replace that with an ongoing annual accreditation, focusing on those standards only that have changed during the preceding 12 month period. The aim is to reduce the lengthy 3-year accreditation which can take months to complete. RDG have requested input from a group of suppliers and we are currently collating their responses. TOC Approval needs to be sought for this to be trialed and the first step is a paper being presented to the Fares and Retail Group on 24/01/19 seeking their support. Next steps will be to plan a trial with suppliers, review and then rollout.
9. **Drive Continuous Improvement** – As part of RDG’s commitment to continuous improvement, we have introduced Accreditation Surgeries for new entrants to obtain free advice on accreditation and what it takes to become accredited. The first one was held on the 23 November 2018 attended by Fairtq and MX Data, a subsequent one was held on 11 January 2019 attended by Hazardous Frog further surgeries are planned for 22 February 2019 and 26 April 2019. RDG also have a stand at the Transport Ticket Global (TTG) conference on 29/30<sup>th</sup> January 2019 where suppliers can also come and discuss accreditation issues with us directly.

#### **Appendix - Deliverables & High-Level Plan**

Accompanying this letter is a 1-page appendix which contains a high-level project plan setting out what RDG plans to deliver against various target dates through to 30 June 2019. RDG progress will continue to be monitored against these target dates by the ORR in our bi-monthly reviews, an updated plan will be made available 13 March 2019.

Yours sincerely,

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**Customer Directorate**  
**Rail Delivery Group**