

# GWR Revenue Protection and Counter Fraud Strategy 2025





# 1. Executive summary

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The piecemeal nature of revenue protection and the disorderly nature of industry data has allowed ticketless travel and journey related fraud to thrive. Yet due to its complex and hidden nature, the true extent of the cost and impact is difficult to reliably establish without introducing standardised activities and measurement exercises.

GWR are committed to treating everyone fairly, therefore GWR will ensure that RP colleagues apply their discretion and use the appropriate tools and legislation in their day to day activities.

GWR will both proactively seek to address the causes of ticketless travel and Journey Related Fraud through the mitigation of risk, holding perpetrators to account and recovering income loss for all forms of ticketless travel and journey related fraud.

The burden of revenue lost through ticketless travel and fraud is ultimately upon the British Taxpayer. This strategy aligns with the UK Rail Counter Fraud Strategy and sets in motion GWR's plan for the creation of an effective and proactive intelligence led revenue protection and counter fraud function.

This strategy sets out GWR's vision for the development and implementation of its Revenue Protection and Counter Fraud function, the reduction of ticketless travel on the GWR network and how GWR will deliver a professional RP & counter fraud (CF) activities. This is a forward-thinking groundbreaking innovative approach. T

It is GWR's intention to deliver a holistic approach to protecting revenue and countering journey related fraud through traditional RP and fraud investigation activities aimed at detecting offenders and recovering loss. In addition, GWR will also champion prevention and mitigation by delivering targeted operations and through collaborative engagement with industry stakeholders.

GWR will;

- Treat everyone with respect and dignity.
- Reduce ticketless travel.
- Provide an informed RP focus in the design of new retail and compensatory schemes.
- Adopt an intelligence-based approach.
- Improve RP standards.
- Empower colleagues to discover and address ticketless travel.
- Reduce the opportunity to travel without a valid ticket.
- Prioritise investigation of persistent and prolific offenders
- Use all appropriate legal remedies to recover loss.
- Improve the perception amongst customers and stakeholders that GWR is a well-run business which ensures that people pay for their journeys

# 2. Background

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Railway retailing and after sales is constantly evolving, yet the approach to RP has not significantly changed since the implementation of the Regulations of Railways Act in 1889 (RRA), which created a criminal offence of intentionally travelling without a valid ticket. This is still relevant today and can lead to an offender being prosecuted.

Over the years Railway Byelaws & Penalty Fares have been introduced which created different offences for those who are not intentionally travelling without a ticket, but the principles of RP remain the on board or at station detection of the individual traveling on the day.

Fraud is the most prevalent criminal offence in the United Kingdom and is estimated to cost the UK economy around £219billion annually (Peters & Peters and Crowe, 2023). Whilst it can be argued that journey related fraud is an individually low-value issue, it is nevertheless perpetrated in such high volumes that the collective value of loss incurred is significant.

The rail industry has remained ambivalent towards the new opportunities retail digitisation provides to both the opportunist fare evader and the more prolific individual. Consequently, whilst improving and making it easier for customers to purchase tickets, these improvements have also created more opportunities for unscrupulous traveller to evade paying their correct fare.

GWR recognise that buying rail tickets can be complex, and that mistakes can easily be made. Where this is the case customers will be treated fairly and empathetically. Where the passenger displays opportunistic and/or hardened behaviours aimed at exploiting the retailing system weakness fare evade and commit fraud we will implement robust lawful sanction activity.

The Improper application of discounts, dishonest claiming of compensation and refunds, as well as intentionally travelling beyond the distance of a purchased ticket are the most common examples of fare evasion where prolific and persistent behaviour can constitute an offence under the Fraud Act 2006.

This strategy outlines how GWR intend to support our honest customers who correctly pay for their journeys by identifying, measuring, and mitigating ticketless travel and Journey Related Fraud.

### 3. Revenue Recovery (RP sanctions)

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Over the past six years GWR has focussed upon improving the quality over quantity of detections in RP and has made sustained improvements in this area. Focussing upon pursuing persistent type of offenders has seen a decrease in the overall number of cases being detected, whilst the totality of the loss sustained, and the income recovered is rising.

GWR also recognise that a more effective and targeted approach to RP is likely to deter those who would be tempted to evade fares and return opportunists back to honest customers, which will naturally see detections and RP income reduce which ticket sales income increases.

### 4. Loss Measurement

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The official means by which the industry assesses the value of loss is through ticketless travel surveys (TTS) that measure the volume of passengers using trains who are not in possession of a valid ticket. TTS currently estimates that GWR's revenue at risk is around 3% of revenue.

However, there are limitations of relying upon the TTS and GWR suspect the actual numbers to be much higher. Therefore GWR will carry out a series of intensive, station-based activities to more accurately measure ticketless travel.

### 5. Strategy

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#### 5.1. Prevention and Mitigation

GWR will strive to prevent ticketless travel and journey related fraud through a series of fraud risk assessments which will;

- Identify if and where system weaknesses exist
- Seek to measure the propensity of offending and
- Estimate the loss incurred.
- Develop actions and recommendation to eradicate or mitigate the risks.

##### Retail design

All journey related fraud risks are universally faced by all train operators, GWR will engage at industry and company level to improve and implement more effective journey related fraud prevention and mitigation measures.

##### Use of Data

Fraud risk assessments will where available be accompanied by supporting data. The head of Revenue Protection Development and Data Standards Manager will continue to collaborate with our retail, revenue, and commercial insights teams as well as external stakeholders to explore and exploit data which can be used to develop and deliver a more data and intelligence led RP function that is deployable both on trains and at stations

##### Priority Routes

GWR understand that the greatest financial risk is highest value longer distance trains, yet by focussing upon financial risk alone alienates customers who utilise shorter journey branch lines where are often find the most voluminous in terms of ticketless travel passengers. Therefore, GWR will provide a balanced approach to delivering visible RP on as many varied services as possible.

Where data and/or intelligence suggest a particular problem, then we will deliver focussed operations aimed at addressing this.

##### Guards and Gatelines

Effective ticket checking at GWR gates and on board GWR trains make ticketless travel far less likely. This only works to reduce ticketless travel if pursued vigorously and to a standard that identifies and corrects a proportion of entirely ticketless or improper behaviour by non-revenue protection colleagues working in these areas.

GWR will deliver targeted and proactive RP operations at stations across the network aimed at preventing ticketless travel as well as increasing ticket sales, journey distances, railcard sales and decreasing dishonest discounts, and will continue to engage and influence the wider industry on the risks and costs involved in journey related fraud to create a better understanding and appreciation of the issue and to improve resilience.

## 5.2. Intelligence Led Revenue Protection

GWR will develop a model that uses data more effectively and will strive to develop a system that follows the ideology of the National Intelligence Model utilised by UK law enforcement. Using intelligence submitted both by colleagues and the public as well as capturing and exploiting existing industry to create:

- A Strategic Risk Assessment
- Tactical Assessments
- Problem and Subject Profiles
- Operational Orders

These will allow GWR to identify

- Ticketless Travel Hot spots,
- System weaknesses and
- Systematic offending
- Revenue at Risk

and apply either a combination of prevention/mitigation as well as detection and investigation methods aimed at driving down the revenue at risk and improve recovering loss, whilst allowing the monitoring and evolution of effective activities.

## 5.3. Develop a Railway Revenue Protection and Counter Fraud Career Pathway

Pursuant with GWR's quality over quantity approach, the addressing of retailing system weakness which provides the opportunity for ticketless travel and journey related fraud to exist is a skill that is missing within the rail industry. In addition, as highlighted by recent reviews both by the courts and the Office for Road and Rail (ORR) the quality of RP being delivered is variable.

GWR aspire to address both these issues through the recruitment and training of suitably well-qualified and experienced fraud investigation and RP specialists. GWR will also engage with external stakeholders to develop and implement an appropriate, and industry leading RP and Counter Fraud training and qualification pathways which will benefit both GWR and the wider rail industry passenger service arena.

All RP and fraud investigations will be focussed upon detecting and calculating the entirety of any loss arising from the offender's behaviour. These investigations will be conducted to the criminal standard of proof and in compliance with the relevant legislation for that purpose. All criminal prosecution action conducted in line with the Service Level Agreement (SLA) between the UK Rail Industry and the British Transport Police.

All cases which fall outside of that SLA and do not require the specialist powers attributed to law enforcement agencies will be allocated to the Revenue Recovery Department to recover the loss. GWR will always prioritise recovering loss through an out of court settlement. However, there are occasions when GWR will instigate legal proceedings to recover the loss. This could involve criminal prosecution or civil litigation through the money claims process.

## 5.4. Pay As You Go (PAYG)

PAYG is expanding on the GWR network, with schemes from Transport for London and Transport for Wales operating along East and West routes, and with GWR schemes in Cornwall and Bristol coming on stream. The retrospective nature of fare collection in PAYG has identified new risks and challenges where protecting the revenue is fundamentally different to the traditional methodologies employed today.

PAYG creates a vulnerability for GWR due to the absence of a physical or even electronic ticket requiring use of a Revenue Inspection Device (RID) to determine if a customer has tapped in with their bank card.

GWR will develop, adapt, and improve the methodology of delivering RP in the PAYG environment.

## 5.5. Further Development

GWR will create a Tasking and Coordinating Group (TCG) led by the Head of Revenue Protection Development and attended by cross functional senior managers and leaders. The TCG will be responsible for delivering the strategic assessment of the current and long-term RP and journey related fraud issues affecting both the business and the wider the industry. GWR will use this to create a tactical assessment to draw inferences, make recommendations, deploy resources and to deliver reassurance to our honest customers that we value their continued patronage.

As retailing and after sales functions evolve, so the risks faced in protecting revenue income evolves in parallel. Therefore, we will continually adapt the tactics and methodologies to counter these threats. This will be achieved by engaging in a program of Continuous Professional Development (CPD) of both our revenue protection and counter fraud knowledge and skillsets, and the implementation of targeted operations.

The GWR 5 year plan will develop our capabilities in the following areas:

### Prevention and mitigation

- Reforming point of purchase discount (railcard) entitlement verification.
- Understanding and mitigating emerging digital wallet and digital banking fraud risks.
- Ensuring that GWR remains abreast of both current and emerging Card Present and Card Not Present payment fraud risks in both the EMV and industry ITSO environments.
- Exploring and developing a banking sector style identity and payment Know Your Customer (KYC) account-based ticketing onboarding process.
- Reducing anti-social behaviour by developing a methodology that will empower GWR colleagues to report Railway Byelaw offences to the revenue recovery team which if left unsettled could be pursued through the Single Justice Process.
- Improving the technical capabilities of gate lines in detecting and preventing ticketless travel.

**Policies and Procedures**

- Creating a centralised suite of GWR revenue protection, counter fraud and intelligence management procedures and guidance tools that all regions will be expected to work from.
- Developing our approach to help colleagues differentiate between those who have made a genuine mistake and those who are exploiting opportunities.
- Driving and supporting a centralised industry approach to RP, counter fraud, and intelligence management.
- Driving forward industry fraud data sharing agreement(s).
- Developing a RP and counter fraud collaborative working ethic with other operators and industry stakeholders to address shared risks.

**Investigation and Intelligence**

- Investing in RP and counter fraud intelligence analytical skills to drive the strategic and tactical assessments.
- Refining methods of digitally recording and submission of evidence and intelligence.
- Identifying and proactively targeting determined criminals who exploit system weaknesses across industry and bring them to justice.
- Proactively targeting hot spot routes and stations to eradicate or reduce ticketless travel there.
- Utilising metadata to build a reactive investigative capability aimed at identifying fraudsters who exploit PAYG and retokenization fraud.

**Revenue Recovery**

- Developing a bad debt pursuit and recovery capability through greater utilisation of back-office investigation and the Civil Money Claims process.
- Developing our capability to utilise the Fraud Act 2006 in private criminal prosecutions for those who persistently and prolifically engage in journey related fraud.
- Improving the quality of RP cases and evidence taken through the criminal courts.

5.6.10. Revenue Protection at Stations

Like all train operators GWR are conflicted between the priorities of delivering excellent customer service and protecting the revenue. Whilst station colleagues have historically focussed upon delivering customer service, protecting the revenue has been seen as the responsibility of on-board colleagues. However, both are not mutually exclusive and whilst all colleagues are expected to focus upon customer service, the prevention of revenue loss in all the different forms is also everyone’s responsibility. GWR recognises that it needs to do more at our stations to prevent and deter ticketless travel.

Whilst we should be reliant upon the physical barrier provided by gates at our stations as our first and last line of defence against journey related fraud. Through activities such as Operation Flying Dutchman, GWR have identified that there are significant revenue protection issues at our stations across our network, both in terms of technological and human capabilities. GWR recognises that we need to do more to improve our resilience at stations. This is especially true in an increasingly digital environment.

We will therefore collaborate internally and with industry stakeholders to improve the technology used in our gates to prevent systemic issues in retailing and raise the awareness amongst station colleagues and their managers around their responsibility to effectively check and validate tickets. We will develop a program to train colleagues in how to do this and deal with those who do not have a valid ticket.

GWR will also explore the value of developing a bespoke programme to train and deploy dedicated revenue protection resources at stations where data suggests that effective ticket checking is not taking place. This will help station colleagues to become more competent and confident in this area of the business.

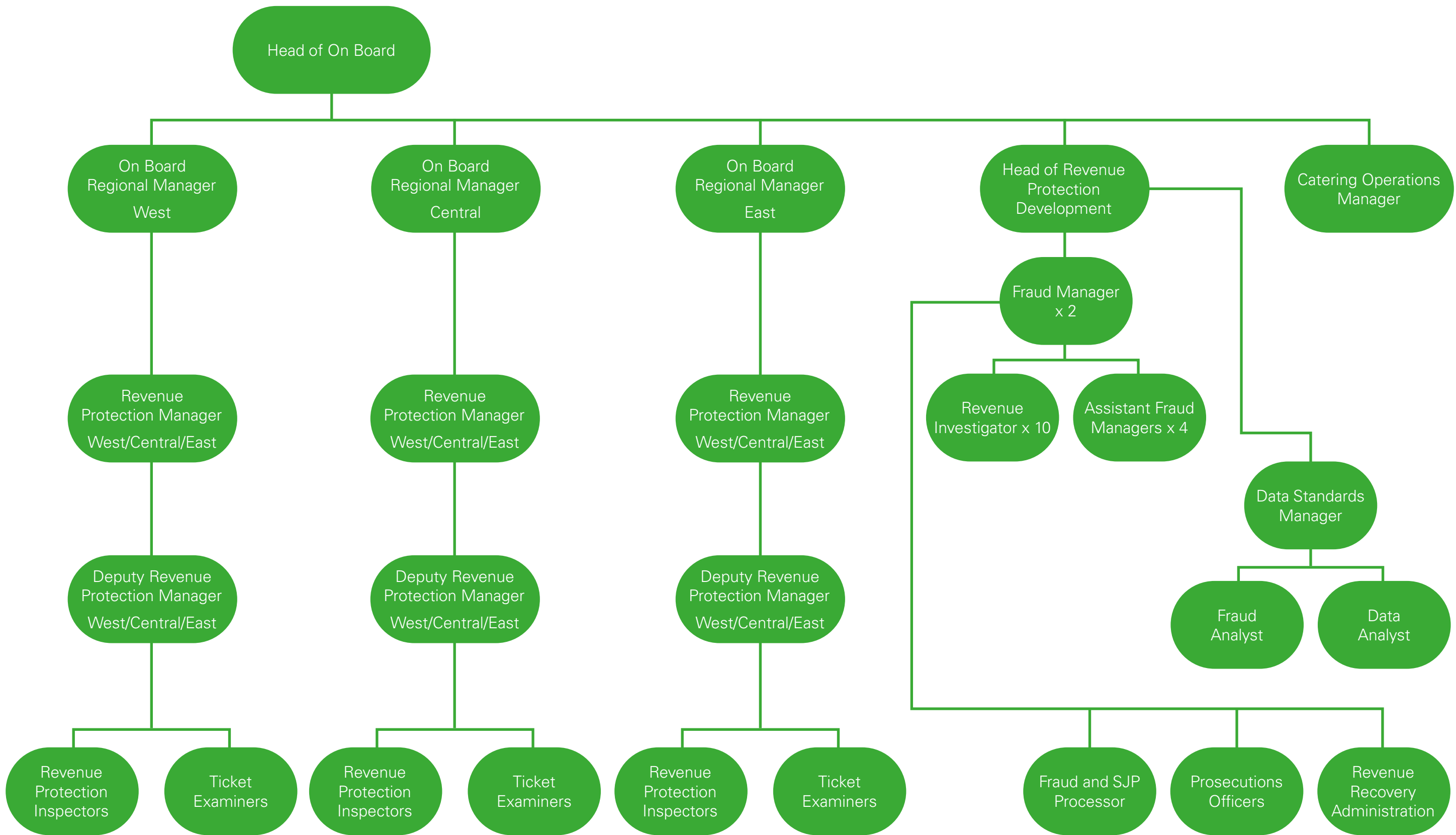
5.7. Governance

Revenue Protection reports through the Head of On Board to the Customer Services Director and report through into the level 2 into the Revenue Growth Steering Group. Within the Customer Service function, revenue Protection is governed through a dedicated steering group which meets each period.

**Revenue Protection Steering Group**

<b>Chair</b>	Head of Revenue Protection Development
<b>Attendees</b>	Head of On Board
	Head of Retail
	Head of Revenue Management
	Head of Revenue Protection Development
	Regional Stations Managers
	Customer Experience and Performance Manager
	Retail Operations Manager
	Revenue Protection Data Standards Manager
	Regional Revenue Protection Managers
	Revenue Protection Trainer
	Revenue Protection Data Standards Manager
	GWR Finance Business Partner
<b>Frequency</b>	4 weekly

# Revenue Protection Organisational Structure



**GWR**