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High fares, old trains, the big railway rip-off: Damning study says privatisation has 'failed to deliver' for passengers

- Britain's rail passengers endure the highest fares in Europe, report says
- Meanwhile train company profits soar thanks to huge taxpayer subsidies
- Network Rail is on track for a £75million fine for failing to meet targets

By [Ray Massey](#)

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Britain's rail passengers are the victims of a 'great train robbery', a damning study concludes today. They endure the highest fares in Europe while being squeezed into old and overcrowded carriages. Meanwhile train company profits soar thanks to huge taxpayer subsidies.

The Manchester University report says privatisation has 'failed to deliver' for either passengers or taxpayers.



Britain's rail passengers are the victims of a 'great train robbery', a damning study concludes today

It says private train firms are heavily dependent on the public purse to enable them to run services, and re-invest little of their profits back into the railways.

According to the study for the Trades Union Congress, the train companies receiving the largest state subsidies spent, on average, more than 90 per cent of their profits on shareholder dividends.

It revealed that despite a 60 per cent increase in passengers since 1994-1995, there has only been a 3 per cent increase in the number of new carriages.



Report came as rail watchdogs revealed that Network Rail is on track for a £75million fine for failing to meet punctuality targets

Ministers hit back, insisting privatisation had 'transformed' an industry in decline while increased investment meant more than 2,000 new carriages were on order.

The report came as rail watchdogs revealed that Network Rail is on track for a £75million fine for failing to meet punctuality targets that will put it in breach of its licence.

Today's highly critical 166-page report says report says train companies receiving the largest state subsidies spent, on average, over 90per cent of their profits on shareholder dividends.

They made operating profits between 2007 and 2011 of £504million, most of which was paid to shareholders, said the report.

Meanwhile passengers have endured higher fares and more overcrowding on older trains, says the study carried out for the Trades Union Congress (TUC) by the Centre for Research on Social-Cultural Change (CRESC) at the University of Manchester.

Long distance, day return and season tickets are all around twice the price of similar tickets in France, Germany, Italy and Spain, which have publicly-run rail systems, while average train fares in the UK increased at three times the rate of average wages between 2008 and 2012.

TUC general secretary Frances O'Grady said: 'This study explodes the myth that rail firms are bringing added value to our railways. In reality they rely upon taxpayers to turn a profit, virtually all of which ends up in shareholders' pockets, rather than being used to improve services.

'Rail privatisation has not brought the improvements its cheerleaders promised - the average age of trains has increased and most new investment is funded by the state.'

She added: 'The claim that private train operators are responsible for more people using the railways must also be taken with a huge pinch of salt.'

'The Government must accept that the current model is broken. '



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Professor Karel Williams who headed the research said: 'The privately-owned train operating companies have hijacked the government's rail reform agenda which is all about 'getting franchising back on track'.

But the Government rejected the report. A Department for Transport spokesman said: 'We do not accept the TUC's analysis of the rail industry. The fact is privatisation works. It has transformed an industry that was in decline into one that is providing record numbers of journeys for record numbers of passengers and is one of the safest in Europe.'

He added ministers were embarking on 'the biggest programmes of rail investment ever' including widespread electrification, more than over 2,000 new carriages and station upgrades made possible only by Governments working closely with 'an innovative private sector.'

Michael Roberts, chief executive of the Association of Train Operating Companies, said: 'Britain's railway has been transformed in the last 15 years, thanks to the public and private sectors working successfully together to deliver for passengers and taxpayers.'

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I'll I can say is be careful who you vote for, because the Royal Mail is next , so if you think it's expensive getting your online purchases now, wait & see what it will cost you in the future .

- [John Smith](#) , West Midlands, 07/6/2013 13:52

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Because its run by a cartel which conspire to squeeze as much money out as possible, theres no competition. You can cross the Atlantic for the same as a peak time fare to London, its beyond obscene.

- [Bee Gee](#) , Derby, 07/6/2013 13:30

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It is quite simple - ban the out of date 1st class carriages. There is absolutely no reason why, except for egos, people (fluffies, MPs Lords and others of a similar self regard), anyone should wish to be able to travel in such a manner and in what is normally an empty carriage. Rail travel should be one class only.

- [Hendonman](#) , London, United Kingdom, 07/6/2013 13:10

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Train travel should benefit from "economy of scale" and be the cheapest form of transport. It fails. It is often more expensive than a taxi. Some European lines cost one-seventh of those in the UK.

- [iantresman](#) , Cheshire, 07/6/2013 13:10

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"Does anyone blaming Maggie and the tory party for this actually remember that LABOUR were in power for 13 years. I think that is plenty of time to have renationalised the railways. However Blair/Brown didn't do it, hmm. I for one wish all

socialists on here would pipe down until their paymasters actually reverse any of the policies they hate so much. - MagAodh, Emsworth, 7/6/2013 12:51" If either Blair or Brown (or anyone else in the hierarchy of NuLabour0 were actually Socialist, you might have a point. As they were nothing more than Thatcherites with a little more social conscience (and only a very little), you don't.

- [Hoggy_Bear](#) , Athenry, 07/6/2013 13:07

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If the people in Great Britain stood together like they do in many other countries instead of moaning after the horse has bolted, this destruction of British owned utilities which were owned by the British people instead of private investors and money grabbing millionaires could be stopped by getting rid of the government's we voted in over the past 30 years.

- [Old_Jake](#) , North Yorks, 07/6/2013 13:04

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To be fair it was even worse before privatisation.

- [Rufus_McDufus](#) , London, 07/6/2013 13:01

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Old trains? The average age of trains (as shown in your photo) is a lot younger than in BR days! That said, I'd still prefer BR to expensive privateers that we have now.

- [Derek](#) , UKIPland, 07/6/2013 12:59

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Does anyone blaming Maggie and the tory party for this actually remember that LABOUR were in power for 13 years. I think that is plenty of time to have renationalised the railways. However Blair/Brown didn't do it, hmm. I for one wish all socialists on here would pipe down until their paymasters actually reverse any of the policies they hate so much.

- [MagAodh](#) , Emsworth, 07/6/2013 12:51

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A good number of railways were profitable before WW1 and paid dividends - yes dividends. The UK Government ran them into the ground prior to grouping in 1923 as well as during WW2. The railways in private form again before nationalization were never allowed to compete rates wise with the road transportation industry - which was mollycuddled by government. You are now reaping the benefits of nearly 100 years of misplaced government intervention, and crowded polluted roads as result. The privatization of the railways alluded to here also only went 1/2 way - the infrastructure has never been privatized and government continues to run businesses when it is the least qualified entity to do so. LOL.

- [justin fuller](#) , San Pedro, Philippines, 07/6/2013 12:49

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