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Virgin sues Network Rail over West Coast line

By Mark Odell, Transport Correspondent

Virgin Rail is taking legal action against Network Rail in a bid to force the owner of the UK rail network to improve punctuality on the West Coast mainline, the country's busiest intercity route.

Tony Collins, chief executive of Virgin Rail, a joint venture between Sir Richard Branson's Virgin Group and [Stagecoach](#), said he had run out of patience with the infrastructure provider as constant delays on the route were starting to affect customer confidence.

"We have been trying to work with Network Rail to sort things out but this has been going on for 15 years and we have been left with no alternative," he said, adding that it was damaging the Virgin brand. "We have started to see the effect of poor performance in passengers' views of our service."

He estimated that in April and May alone, Virgin Rail had lost £10m to £15m in revenue. The company operates the West Coast mainline franchise between London, Manchester and Glasgow, which carries 31m passengers annually.

The rail regulator warned Network Rail last year that it would face record fines unless it were to improve punctuality of its long-distance services. The performance of the company – which is technically part of the private sector but receives a direct taxpayer subsidy of £4bn annually – will come under more scrutiny on Friday when the regulator publishes the latest industry data about delays.

The punctuality figures will show that in the three months to March, on-time performance on all long-distance routes was 87 per cent – much less than the 92 per cent target.

If Network Rail's performance were not to improve by March 2014, it would face a fine of £75m, or £1.5m for every 0.1 percentage point short of the target.

Recent data for the West Coast mainline in May showed punctuality averaged 85.7 per cent, according to Virgin Rail, less than the 88 per cent target.

Mr Collins said that those figures hid the underlying problem of wild swings in punctuality on a daily basis, ranging from 92 per cent to 50 per cent. "Our customers want consistency," he said.

Network Rail will come under still more pressure next week when the Office of Rail Regulation is due to deliver its recommendations to the government about the infrastructure provider's proposed budget for the next five-year regulatory period to 2019. That is expected to include even tougher punctuality targets.

Mr Collins said he had informed Network Rail that it was in breach of contract and would seek arbitration to enforce compliance. The rail operator last took legal action against Network Rail in February 2011 but it was settled before the hearing.

Last year, Virgin Rail seconded Chris Gibb, its chief operating officer, to Network Rail, in an attempt to resolve the problems on the West Coast mainline.

A £9bn upgrade of the line, completed in 2008, did not take in sections of the busiest part of the route between London and Rugby because of government cost cutting, where the overhead lines and signalling date from the 1960s.

Network Rail said it was "not satisfied with the current performance of our infrastructure on the southern end of the West Coast main line". The company added it had identified almost £40m of investment intended to improve performance.

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