Becoming a Retail Partner – Entry Costs and Ongoing Fees

Rail Delivery Group costs, Industry costs and ongoing fees and external costs and fees to be aware of.

Updated September 2023

The tables below in **Section 1** are intended to give retail partners an indication of the entry costs they can expect to see whilst in start-up and the ongoing fees from year 1 and year 2 onwards.

The charges and fees listed are ones that Rail Delivery Group has visibility of either because we set them or one of our suppliers sets them.

The costs listed are for illustrative purposes as not all the costs will be relevant in every case. As you progress your application, the costs and fees you are subject to will be explained in more details.

Not shown are costs or fees you might incur outside of Rail Delivery Group, although **Section 2** show area where you can expect to incurs costs of which Rail Delivery Group has no influence over.

Section 1 – Rail Delivery Group costs and fees and costs and fees visible to Rail Delivery Group

Description	One-off cost	Year 1 cost p/a	Year 2 & beyond cost p/a	Notes
Licence application fee	Up to £10ki	-	-	These costs are to cover Rail Delivery Group's costs of processing the application up to and including the granting of a Licence. This fee is non-refundable in any circumstances, even if a Licence is denied, or subsequently withdrawn.
Initial Rail Delivery Group Accreditation	Previous experience has shown that you should budget for £50k	-	-	Generally, the better prepared your development is, the easier and quicker Accreditation will be potentially meaning Accreditation costs will be lower. The Accreditation Team will make sure you understand what you are being accredited against and will provide test scenarios.
Ongoing Rail Delivery Group Accreditation		Usage based	Usage based	Accreditation costs are £1k per day, but retailers can, and are recommended to, contract for a set number of accreditation days per 4-week period. Ongoing Accreditation costs depend on what functionality is being introduced. Full Accreditation is valid for 3 years from when achieved with interim accreditations in-between.
Refunds		£5 per refundii	£5 per refundii	Retailers generally charge £10 and retain £5
Licence fee	-	Up to £15k iii	£15k iv	This is an entry level fee but could be increased with significant volume and RPI is added annually
Lennon Business code and National Location Code set up fee	£10k + VAT	-	-	Lennon Business Codes and National Location codes are used to identify individual retailer sales. The fee is for one Lennon Business Code and four National Location Codes.
Rail Delivery Group data processing services (Settlement, Fares, Reservation service etc.)	-	-	Usage based	These costs are based on the previous year's turnover.

Ticket on Departure service charges	-	£0.05 per CTR	£0.05 per CTR	Charges are based on the number of Customer Transaction Records placed.
Ticket on Departure issue costs		(a) • A variable fee rate of 0.50% shall be due on all ToD fulfilment transactions (CTR) with a value at or above £15. • For CTR values of less than £15, a fixed minimum fee of 7.5p per CTR shall be due. • For CTR values at or above £100, a fixed maximum fee of 50p per CTR shall be due. (b) • A variable fee rate of 3.66% of the CTR value shall be due on all ToD fulfilment CTRs at a Ticket Office. • In the event that a customer uses a Ticket Office for ToD fulfilment instead of a TVM as a result of TVM Failure, the Ticket Office fee set out above shall not apply, and the ToD Fulfilment fee shall be calculated on the basis of a TVM issue instead.	(a) • A variable fee rate of 0.50% shall be due on all ToD fulfilment transactions (CTR) with a value at or above £15. • For CTR values of less than £15, a fixed minimum fee of 7.5p per CTR shall be due. • For CTR values at or above £100, a fixed maximum fee of 50p per CTR shall be due. (b) • A variable fee rate of 3.66% of the CTR value shall be due on all ToD fulfilment CTRs at a Ticket Office. • In the event that a customer uses a Ticket Office for ToD fulfilment instead of a TVM as a result of TVM Failure, the Ticket Office fee set out above shall not apply, and the ToD Fulfilment fee shall be calculated on the basis of a TVM issue instead.	Costs differ if issued through (a) an on-station ticket vending machine or through (b) a station booking office
Barcode Fees		0.35% per CTR for fares over £10, subject to a cap of £0.30 0.41% per CTR for fares over £15, subject to a cap of £0.30	0.35% per CTR for fares over £10, subject to a cap of £0.30 0.41% per CTR for fares over £15, subject to a cap of £0.30	The Agent can choose between 0.35% and 0.41% Barcode Fee Rate.

eTVD v	tbc	tbc	tbc	The fees are associated with eTVD connection and service (a system by which barcode ticket scan and refund records are shared for the purposes of preventing use of cancelled tickets). eTVD is the sole feed for all barcode ticket cancellation information to gateline, handheld ticket checking and retailer ticket issuing systems, and connected to and receiving relevant data from all existing eTVD.
Bonding	£300k-£500k	Needs to be kept current	Needs to be kept current	Kept as a bond in favour of Rail Delivery Group. The bond value is based on sales projections. The figure is a rough entry level. The value of the bond is reviewed annually.

i. This cost is dependent on the licence being applied for as some licenses do not have an application fee.

ii. Only RDG Licenced Travel Agents are currently charged £5 per refund

iii. Not all licenses have an annual fee.

iv. If the licence being applied to has an annual fee, then this fee will continue from year 2 onwards and will be subject to review.

v. Connection and service costs by existing providers outside RDG

Section 2 – Other costs and fees to be aware of (but that Rail Delivery Group has no influence over)

Below is a list showing areas for you to take into consideration but that Rail Delivery Group has no influence over.

Please note, this is not an exhaustive list.

One-off costs	Ongoing costs	General Building & OPEX costs	Notes
Research and Development	-	-	-
commercial opportunity evaluation	-	-	-
Ticket Issuing System (TIS) procurement / TIS build	-	-	You may be designing your own TIS or you may decide to procure an already accredited system.
-	Bonding	-	Although bonding is shown as a cost in section 1 there are likely to be costs for the administration of that bond.
-	Back-office costs e.g. • Refund processing • Customer helpdesk • Call centre	-	Outsource options are available for most of the back-office tasks which we can discuss with you.
-	Payment processing	-	Rail Delivery Group has negotiated favourable payment processing costs that we can give you access to.
-	Development	-	-
-	-	Hosting costs	-
-	-	System maintenance	-
-	-	Depreciation	-
-	-	Staff training	-
-	-	Marketing	-
-	-	Call centre	-