

# Railways Bill (techUK submission to Commons Public Bill Committee)

## A tech-forward mindset

techUK, which represents over 1,000 UK-based technology companies, advocates for a future-ready railway system that embraces digital transformation, fosters innovation, and supports economic growth. We see the Railways Bill as an opportunity to modernise rail infrastructure, aligning it with broader government priorities such as building a smarter state, enabling private sector innovation, and economic growth.

It is vital that GBR be empowered through a **clear strategic direction, ambitious innovation targets, and reformed incentives**. The Bill must **integrate rail into a multimodal transport ecosystem, leveraging private sector capabilities and fostering collaboration**. Most significantly, we wish to stress the importance of **avoiding legacy system entrenchment and unnecessary duplication** – and instead promoting openness, resilience, and technological advancement to make the best use of the UK's vibrant rail technology innovators in the private sector, which have long been the driving force behind progress in UK rail. Over the years, **private sector companies have worked and developed a close understanding of user experience, and this expertise should not be ignored or forgotten**. UK rail stands on the cusp of a technological revolution, and it is vital that GBR is set up to deliver this, with the support of the UK's tech sector.

Simplified secondary regulation can only be guaranteed with appropriate enabling powers, and these should be aimed at **creating better collaboration between GBR and technology providers**, facilitating the deployment of innovations. As the UK's second-largest public sector organisation, GBR presents an opportunity for the Government to apply its instincts on both tech and state reform in a way that enables – rather than crowds out – private sector innovation. **The role of GBRX should be clarified, with clear pathways for industry engagement**. GBR and GBRX should, therefore, focus on the areas that they alone are best-placed to deliver – such as infrastructure – and work closely with the Regulatory Innovation Office to guide investment and development.

### **Therefore, techUK would welcome amendments to the Bill in the following areas:**

1. A significant strengthening of the duty in s.3(1)(f) to “support innovation”. This is the only mention of technology and innovation in the Bill and is inadequate to embed an innovative mindset in GBR operations.
  - Amendments should create a system of innovation targets and reporting.
  - Amendments should be made to ensure that this innovation duty applies to all areas and functions of GBR specifically, rather than simply in the abstract.
  - Amendments should include these duties and targets in the s.15 Rail Strategy.
  - Amend s.3 to clarify that GBR's function of “carrying out research and development and supporting innovation” must include (and even be largely based on) engaging with, supporting, and adopting private sector innovation, which has long been the most successful and significant source of tech innovation in the UK rail sector.

2. Amend s.15 to ensure that the Secretary of State's Rail Strategy:

- Is aligned with the government's wider aims, to bring confidence, stability, economic growth, and consistency for industry working in the rail system.
- Sets out requirements for GBR to work specifically on the integration of advanced technologies (like AI, data analytics, and green technology) into its operations and to prevent a recreation and repetition of technology that the private sector is already delivering, and require close collaboration with the UK tech sector.
- Clarifies the role of GBRX, along with proving clear paths for private sector engagement, and an innovation growth duty.

3. The rail system must not stand alone, and passenger travel is increasingly a multi-modal activity with the challenge being better to integrate and connect different parts of a journey. Amendments should be made to create an additional GBR function to ensure that rail journeys, ticketing, and infrastructure are properly linked with other transport modes.

4. Amendments should be made to Schedule 2 to ensure that GBR funding settlements provide specific funding and support for key technological drivers of service improvement. It is also important that clarity be provided around the digital and tech components within wider funding allocations and the Secretary of State's objectives for each funding round.

## Structural separation

**It is vital to get the design of the system right.** Where a single body (in this case, GBR) is responsible both for setting the rules of a market and for delivering services within it, there is a material risk that incentives become misaligned. **Without a meaningful separation between GBR's market-setting functions and its operational functions within that market, the risk of inefficient duplication, slower innovation and reduced confidence for private sector investment is significant, ultimately undermining passenger outcomes and value for money.** There is a clear precedent from telecoms, where the separation of BT and Openreach was driven by the need to ensure openness, sustained investment, and confidence across the broader ecosystem.

**Furthermore, the ORR's competition duty must have practical meaning, rather than existing only in theory, by setting out the occasions when it is engaged and the powers that it can use.** This should include the use of *ex ante* powers, which exist in other regulated sectors to prevent harm before it occurs, rather than relying solely on *ex post* enforcement. This will have to be based on making it clear that ORR has not only responsibility for securing competition, but that it also has the authority, independence and the ability to act proactively to enforce it, alongside the CMA.

**techUK would support amendments to:**

- Create a meaningful separation between GBR's market-setting functions and its operational functions.
- Ensure that the ORR's competition duty applies when enforcing any Code of Practice and when overseeing GBR's retail and digital activities.
- Increase the ORR's *ex ante* powers, and clarify its authority to enforce fair competition both alone and along with other regulatory bodies.

## Passenger experience and ticketing

Many of the digital improvements passengers now expect have historically been driven by competition and openness, not centralised delivery. Independent retailers have consistently delivered customer benefits, including user-friendly platforms, multimodal integration, real-time updates, and paperless ticketing. Competition has driven these innovations, and future success depends on fair access and independent oversight. To ensure a thriving and competitive retail market, techUK calls for legislative safeguards that establish a level playing field between state and private retailers. Without this, there is a clear risk to private sector investment, ultimately leading to slower innovation and poorer passenger outcomes.

Also, we support the establishment of a **powerful, independent passenger watchdog**, with a focus on data-driven, tech-led solutions for frictionless travel and digital accessibility for all.

**Therefore, techUK would welcome amendments to the Bill in the following areas:**

1. To ensure fair competition with the private sector in terms of ticket retail, amendments should be made to create a legally meaningful separation between GBR's operational and retail functions, ensuring market neutrality and fair competition.
  - GBR retail should adhere to the same standards as independent retailers, with distinct licences and compliance.
  - Amend Schedule 1 to ensure that these market neutrality and fair competition requirements for ticket retail are included in any ORR "approved document".
2. Amend the passenger watchdog to ensure that it has the powers and competence to propose technological improvements as well as simply advocating for redress. Its scope should expand to include other transport modes like buses and trams.