JUNE 2025

Revolutionising Transit Payments:
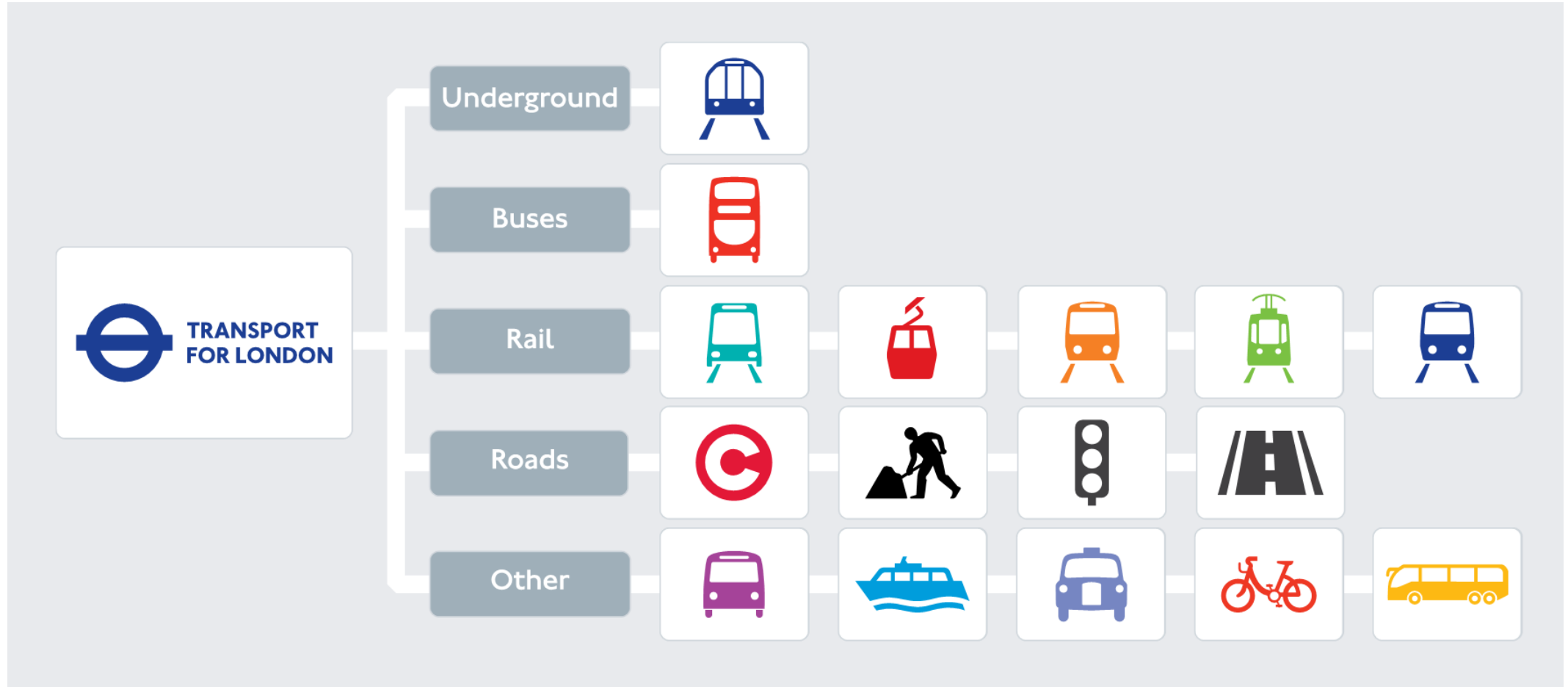
The Transport for London (TfL) Contactless Journey

David Kershaw
Head of Payment Operations & Assurance

Transport for London

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Our Responsibilities

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The first 140 years of ticketing

Collection of London Transport Museum

Collection of London Transport Museum

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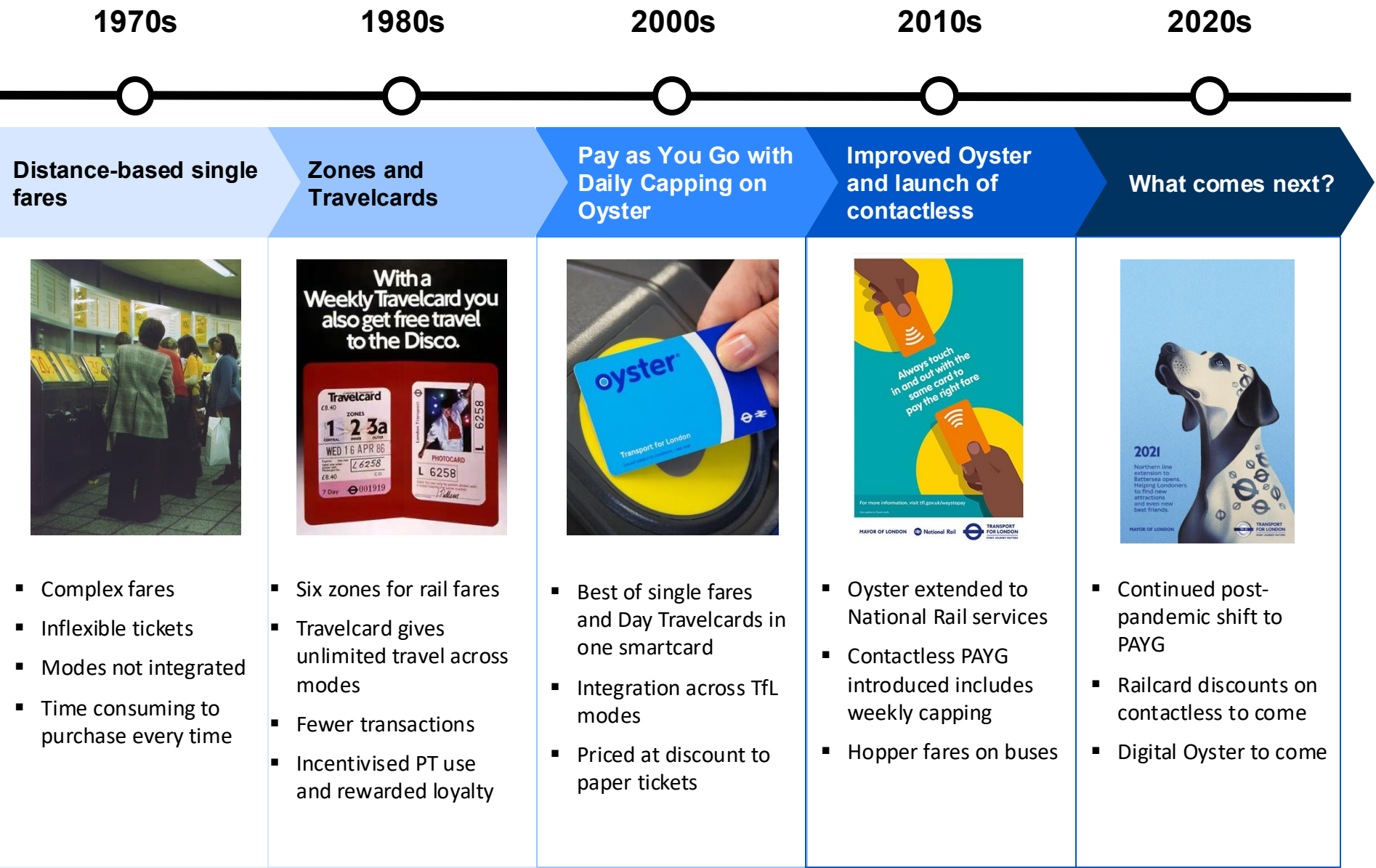
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Fares and Ticketing to date

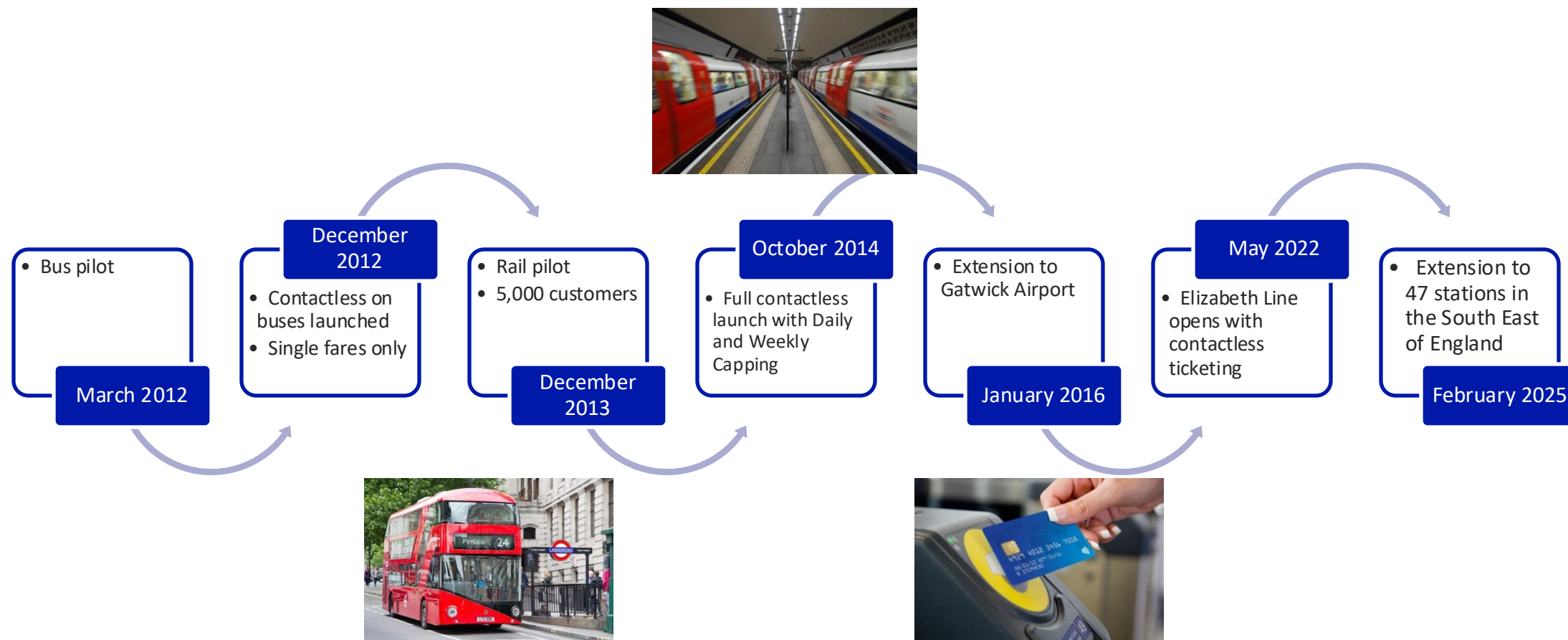We've come a long way with our fares and ticketing model.

We have seized the opportunities presented by technology to simplify the proposition, remove pain points and reduce the cost of revenue collection.

Contactless PAYG with daily and weekly capping is an incredibly simple proposition that meets the needs of most customers.

1970s	1980s	2000s	2010s	2020s
Distance-based single fares	**Zones and Travelcards**	**Pay as You Go with Daily Capping on Oyster**	**Improved Oyster and launch of contactless**	**What comes next?**

- Complex fares
- Inflexible tickets
- Modes not integrated
- Time consuming to purchase every time

- Six zones for rail fares
- Travelcard gives unlimited travel across modes
- Fewer transactions
- Incentivised PT use and rewarded loyalty

- Best of single fares and Day Travelcards in one smartcard
- Integration across TfL modes
- Priced at discount to paper tickets

- Oyster extended to National Rail services
- Contactless PAYG introduced includes weekly capping
- Hopper fares on buses

- Continued post-pandemic shift to PAYG
- Railcard discounts on contactless to come
- Digital Oyster to come

Embracing technology has vastly improved the customer proposition whilst cutting our costs
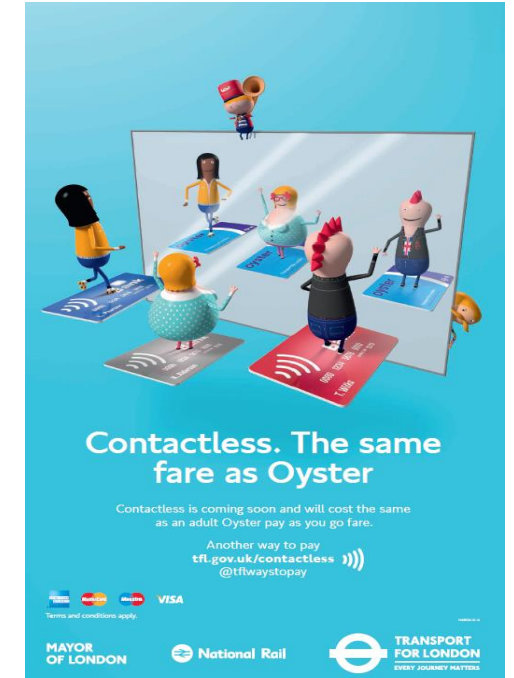
Launching Contactless in London

- Bus pilot

March 2012

December 2012
- Contactless on buses launched
- Single fares only

- Rail pilot
- 5,000 customers

December 2013

October 2014
- Full contactless launch with Daily and Weekly Capping

- Extension to Gatwick Airport

January 2016

May 2022
- Elizabeth Line opens with contactless ticketing

- Extension to 47 stations in the South East of England

February 2025

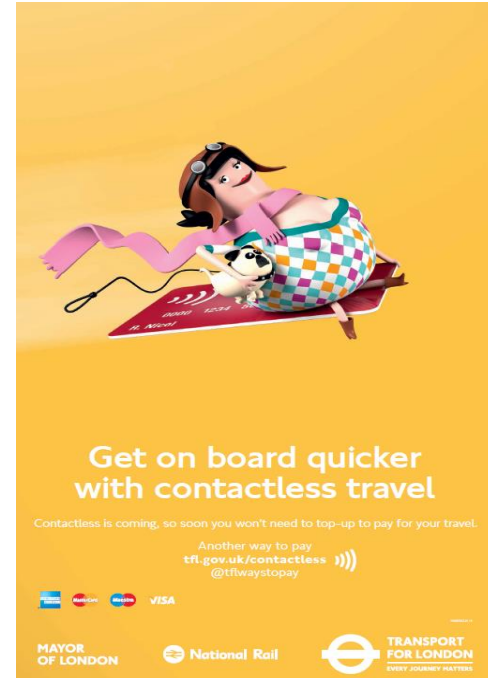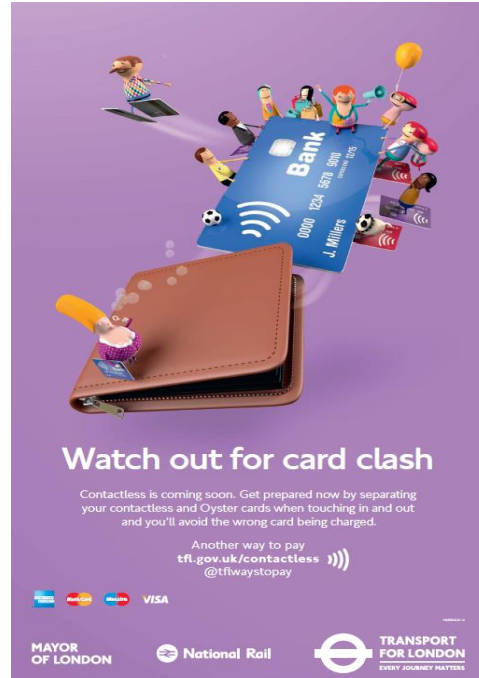

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Working with the Payments Ecosystem

- Coordinated media activity with card issuers to ensure messages are aligned and mutually supportive
- TfL did not single handedly promote Contactless – we worked with the Payment schemes on their promotions
- The Payments Industry have a key role to play – pain points, messages, customer support

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TfL Communications Strategy for Contactless

Watch out for card clash

Contactless is coming soon. Get prepared now by separating your contactless and Oyster cards when touching in and out and you'll avoid the wrong card being charged.

Another way to pay
tfl.gov.uk/contactless
@tflwaystopay

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Get on board quicker with contactless travel

Contactless is coming, so soon you won't need to top-up to pay for your travel.

Another way to pay
tfl.gov.uk/contactless
@tflwaystopay

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Contactless is expanding across the network

Your contactless payment card will soon get you around London on the Tube, tram, Overground, DLR and most National Rail routes. Remember, it's already available on London's buses.

Another way to pay
tfl.gov.uk/contactless
@tflwaystopay

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Contactless. The same fare as Oyster

Contactless is coming soon and will cost the same as an adult Oyster pay as you go fare.

Another way to pay
tfl.gov.uk/contactless
@tflwaystopay

Terms and conditions apply.

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Happy 10th Birthday Contactless …

2.5m daily Contactless journeys on rail services in London

1.9m daily Contactless journeys on London Buses

Transport for London
@TfL

Follow

Wow! We've now seen more than 2 BILLION journeys on London's transport network made using pay as you go with contactless since it launched across the Tube and rail network in September 2014! 〰️ 💳
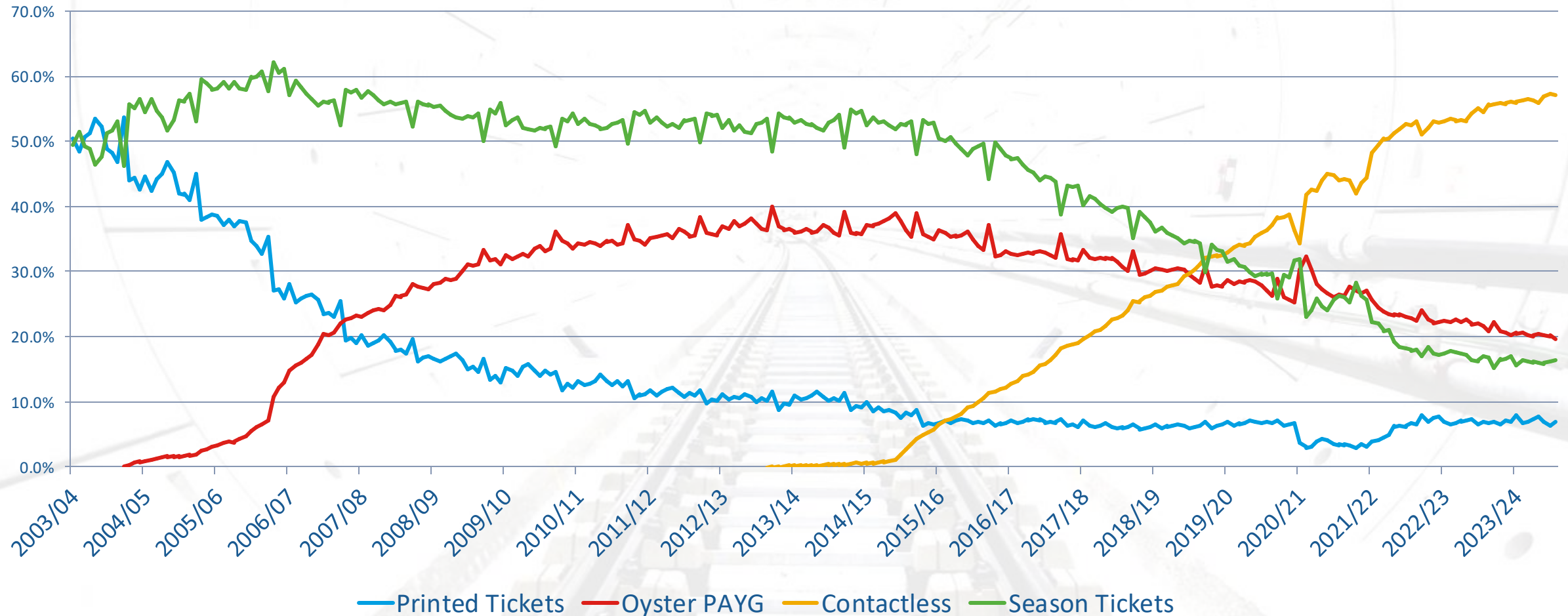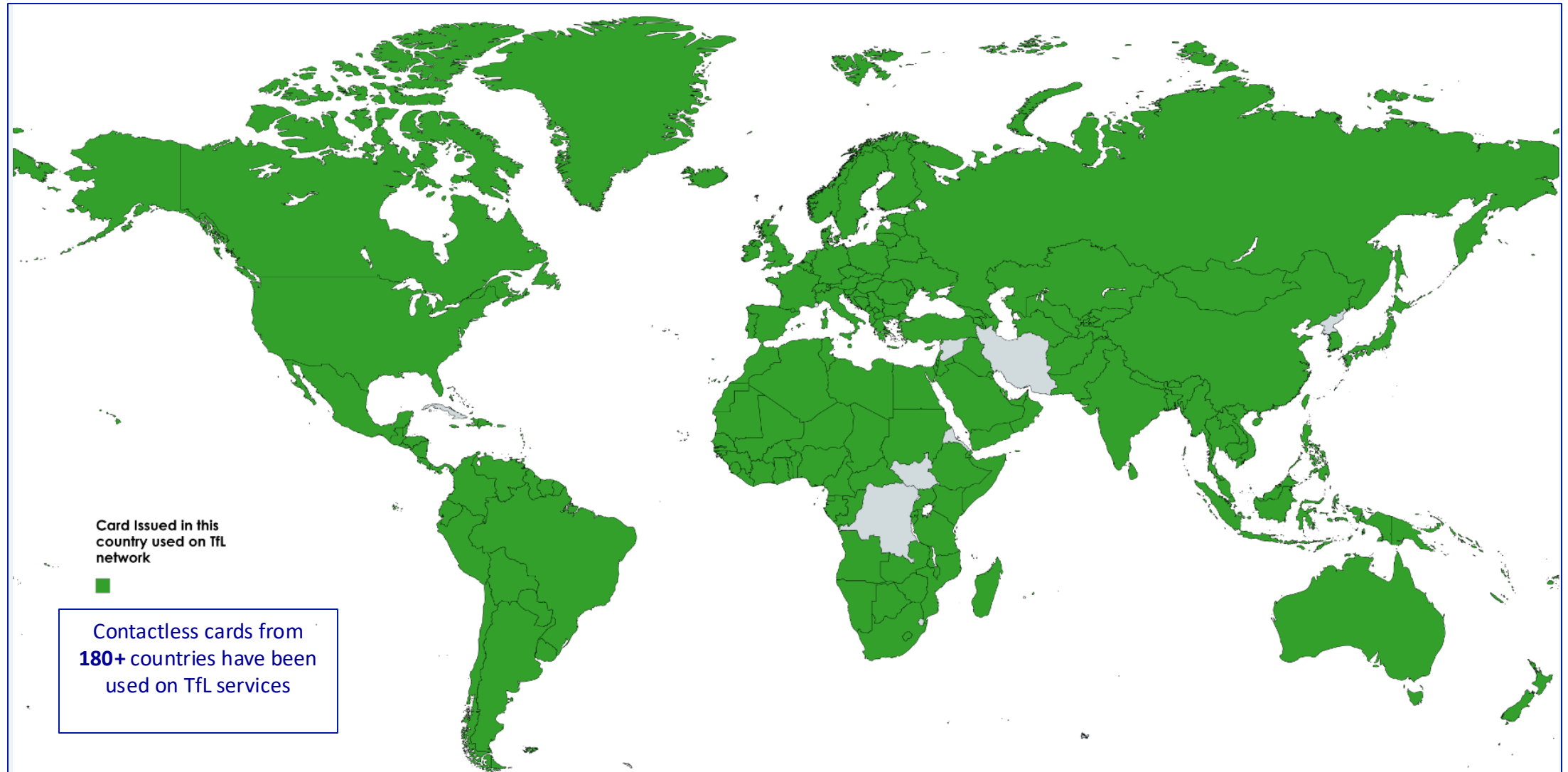
GIF

8:00 am - 28 Aug 2018

18 Retweets **62** Likes

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Uptake of Contactless Payment

Source: Transport for London 2025

Legend: Printed Tickets — Oyster PAYG — Contactless — Season Tickets

Uptake of Contactless Payment

Card Issued in this country used on TfL network

Contactless cards from **180+** countries have been used on TfL services

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Mobile Payments

Apple Pay, Google Pay and Samsung Pay and others allow us to reach an ever growing market
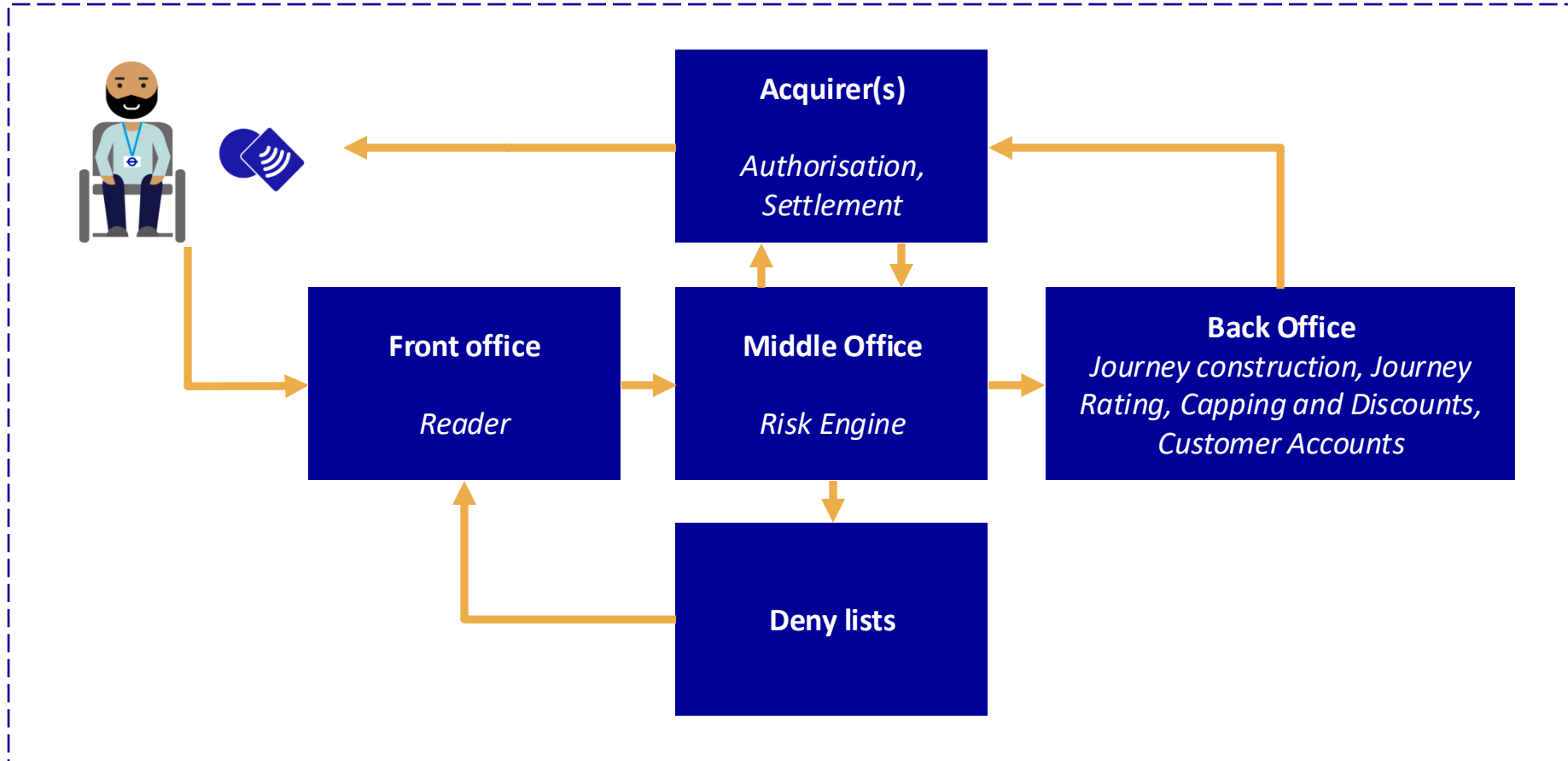

Challenges: battery life & transaction speed, fraud, mixed devices

Benefits: easy access to journey and charging data for customers

Usage: c.60% of contactless journeys are made using mobile devices

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Making a Contactless Journey

Lessons Learned

Why has Contactless been so successful in London?

Planning and collaboration was the key to achieving this outcome

TfL focused on the **customer proposition - u**nderstood what is **important to the customer:**

Convenience - remove barriers and **frustrations**

Lessons Learned and other considerations

- Clearly communicate proposition
- Understand and mitigate key challenges
- Engage key stakeholders
- Agree roles and responsibilities
- Align marketing and terminology
- Encourage trial through marketing and payment industry collaboration
- Promote uptake at key locations and decision points – online, in-station etc

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Lessons Learned and other considerations

- Assess open loop fraud risks

- Establish close working relationships with the wider payments' ecosystem

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Key relationships with the wider payments eco-system

- The merchant acquirer is a key relationship as they are responsible for authorisation, and settlement of payments across all of TfL not just ticketing

- Fee transparency is essential e.g. Interchange + + charging model

- Other key payments relationships:
  - The merchant acquirer and the transit authority's Payment Service Provider
  - The payment card schemes
  - The digital wallet providers
  - In some cases, even with payment card issuers

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But it's not all smooth sailing ....

Three main Payments challenges with the contactless model on transit

1. Bad debts
    • Fraud
    • Liability shift
    • Issuer negligence

2. Chargebacks / Disputes

3. Rising scheme fees and compliance costs / infrastructure changes #transitnotretail
    • Tokenisation / Virtual cards
    • Payment Account Reference implementation

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Where to next

What does the future hold?

1. Concessions / Discounts on open loop

2. Further enhance digital payment options

3. Alternative payment rails e.g. Account to Account

4. Ensuring transit ticketing remains inclusive

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Thank You