



Changes to taxi fares and accepting payment by card in all London taxis

A letter containing the information below will be sent to all London taxi drivers on or shortly after 29 March 2016.

Taxi fares

On 3 February the Transport for London (TfL) Board agreed to some changes to taxi fares as part of the annual fares review. These changes, which come into effect on **2 April 2016** include:

- An overall increase of 1.6 per cent in taxi fares
- Full removal of the card payment surcharge to passengers of up to 10 per cent or £1, whichever is greater
- A 20p increase in the taxi meter flagfall, bringing it to £2.60
- A change in the end time of tariff 3 from 6am to 5am
- Making changes so that the tariff rate for longer journeys (referred to as tariff 4) changes over on distance instead of at a fixed fare point, as is currently the case
- Extending the arrangements where fares increase by 40 pence if diesel prices increase significantly (threshold of 148.56 pence per litre)
- Introducing a new arrangement where fares decrease by 40 pence if diesel prices decrease significantly (threshold of 72.70 pence per litre)

The 20p increase in the taxi meter flagfall is to assist drivers to cover the costs of accepting card payments, as the passenger surcharge will be removed in its entirety and drivers will no longer be able to pass on any additional costs to passengers. We also anticipate an increase in competition from suppliers which will lead to greater choice and value for money for drivers. We have been meeting and working closely with the card payment providers, and will continue to do so, to ensure that the best possible packages are offered to all taxi drivers.

Using the experience of New York, taxi drivers can expect an increase in card-paying passengers given the greater convenience passengers enjoy. Feedback shows that while drivers in New York did incur initial costs, the amount of fares being paid for by card increased from 13 per cent in 2010 to 63 per cent in 2015. The amount drivers received in tips also increased from 10 per cent to 18 per cent.

All signage or information currently displayed in taxis advising passengers of a card payment surcharge must also be removed by 2 April.

Taxi meter changes will take place over the weekend of 2 and 3 April. To ensure these changes come into effect, taxi owners are encouraged to check the arrangements with their individual meter companies.

Mandating credit and debit card acceptance

On 3 February TfL Board also agreed that all taxi drivers must accept credit and debit card payments, including contactless, with effect from **3 October 2016**. This follows a consultation we conducted in 2015, where 86 per cent of over 1,000 respondents were in favour of making it mandatory that all taxis accept card payments.

A copy of the TfL Board paper is available on our website:

<https://tfl.gov.uk/corporate/publications-and-reports/board-papers>.

From 3 October the following changes will come into effect:

- All taxis must be fitted with a TfL approved card payment device fixed within the passenger compartment
- As a minimum, drivers must accept VISA and MasterCard credit or debit card payments in your taxi
- You must accept contactless, Chip and PIN and magnetic swipe in your taxi
- New signage, currently being designed, will be made available in the coming weeks and need to be displayed on and within the taxi

We are working closely with a range of card payment system providers to ensure their systems meet the new requirements in good time for the transition. The table on the following page provides you with information on the card payment systems that are currently approved by TfL, and the steps you need to take to ensure their products will be compliant from 3 October.

If you are currently accepting card payments, you need to ensure that the system you use will continue to comply with the new requirements.

Card Payment Provider	System(s)	Currently approved	Compliant after 3 October?
Cabvision Network Ltd	Ingenico IPP 220 Ingenico IPP 350	Yes	<p>If it already has a (fixed) card payment device within the passenger compartment, the taxi will remain compliant</p> <p>-----</p> <p>If it doesn't have a (fixed) card payment device within the passenger compartment, please contact your provider to arrange to have one fitted before 3 October, in order for your taxi to remain compliant</p> <p>These products don't currently have a (fixed) card payment device within the passenger compartment, although all these card payment providers are aware of the changes and are producing solutions to ensure compliance. If you use or intend to use one of these in the taxi you own or rent, please contact the provider to arrange for installation of a (fixed) card payment device in the passenger compartment, in order for your taxi to be compliant, before 3 October.</p>
CMT UK Ltd	CMT FREEdom Solution	Yes	
Ingenico	Ingenico ICT220 Ingenico IPP 350	Yes	
Verifone	VeriFone Vx670 VeriFone Vx510 VeriFone Vx680 VeriFone Vx810 VeriFone Vx820	Yes	
Cab:app Ltd	Miura M010	Yes	
iZettle	Miura M010	Yes	
Payleven	Miura M010	Yes	
PayPal	Miura M010	Yes	

Receipt printers

Currently, taxi drivers who accept card payments must have the facility to offer a printed receipt on demand, in accordance with our Electronic Payment Guidance. We are currently reviewing this policy and considering whether this requirement remains necessary. We will provide updates on our website tfl.gov.uk/tph and in our weekly email to licensees.

Our vehicle inspection centres

In the coming weeks and months, when you present your taxi for an annual inspection you may be asked some additional questions when booking in your vehicle about what, if any, card payment systems you already use. This information is being gathered in advance of October so we can establish what additional support is required closer to the date the mandate comes into effect. We recognise that for some drivers this represents a big change; we will work with you over the coming months to make the transition as smooth as possible.

Please regularly check our website tfl.gov.uk/tph and the weekly email to drivers for up to date information, including an update on the requirement for receipt printers and how to obtain stickers promoting your acceptance of credit and debit cards, once they become available. You can also contact us by email at tph.enquiries@tfl.gov.uk or call us on 0343 222 4444.

With best wishes



Helen Chapman
General Manager,
London Taxi and
Private Hire

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Private Hire