

CASE STUDY

Perimeter Payments



“

Perimeter Payments came from the need to remove cash from buses. If small stores and cafés in towns and cities could offer contactless micro-payments, why could we not do this on our buses? Initially, I called it “Perimeter Payments.”

THE BUSINESS CASE

By 2016 it was clear to me contactless was becoming mainstream. The clue came in a family weekend trip to Cornwall, when I saw a notice “No cash payments” on the window of a tiny café in a small village.

I wanted to make a business case for contactless payment on buses; my goal was to remove the need for cash or smartcards. The difficulty would be in finding a cost-effective solution as any credit card transaction would add costs to the price of the ticket.

The key was to design a sensibly priced system that would attract new passengers away from their cars and competitors alike.

After we deployed Perimeter Payments on our buses in Oxford, First Group and Arriva Bus recognised its value and adopted it into their operations.

METHODOLOGY

We had to overcome many obstacles to introduce contactless on buses. First, our ticket machines were old and not contactless-capable. Second, the solution had to be cloud-based and bank-grade. And, finally, there was not a single supplier in the market proficient in the application of this technology.

To create a solution, we introduced Ticketer, a new start up supplier of ticket machines, to LittlePay, a small Fintech start-up, to develop the concept. The journey was painful: the schemes and the acquirers didn’t understand what we were trying to do; certifications were convoluted and protracted; Go-Ahead was anxious about a competitor getting there first.

The implementation required the orchestrated effort of Ticketer, LittlePay, installers, commercial and finance teams, all led by IT. Once piloted, we had to deploy contactless on over 1,800 buses across the UK.

RESULTS

- Contactless payments were launched in June 2017 and, within 20 weeks, over 25% of bus revenue was going through contactless with this percentage continually growing.
- Rolled out across 1,800 Go-Ahead buses in just four months.
- Great customer satisfaction.

“

Most transactions in buses in the UK are now done using a contactless card