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Dear Sir Andrew,

**Rail Fare Rise Press Release, 7 September 2014**

I am writing to draw your attention to a recent press release issued jointly HM Treasury and George Osborne MP, (<https://www.gov.uk/government/news/government-extends-freeze-on-rail-fares-to-2015>) which referred to regulated fare rises. A number of areas have caused particular concern amongst users of inflation statistics, as represented by the RPI-CPI User Group:

Throughout the release 'inflation' is repeatedly referred to, but there is no explanation within the release to explain that the inflation being referred to is that measured by the RPI index in July 2014. However, the government's preferred measure of inflation has been CPI since 2003 (<http://www.bbc.co.uk/news/business-18396107>). The current government strongly reinforced this message when it changed the basis on which pensions and benefits were up-rated from April 2011.

The general reader would therefore have a reasonable expectation that when an official statement refers to 'inflation' it would be referring to inflation as measured by the CPI. However, this is not the case. Instead this communication, by omission or design, discusses inflation generally whilst using data for the RPI - a measure which it has previously sought to suggest is inappropriate.

It is particularly egregious when, as in this case, by using the term inflation it misleads the reader into thinking that the benefit being talked about is greater than is actually the case as the CPI inflation rate is normally lower than the RPI inflation rate and this was the case in July 2014.

Secondly, the opening sentence of this release reads, "No regulated fares will rise by more than inflation in 2015." This implies that the rate of inflation that will be experienced in 2015 is already known. This phrase is repeated in the quotation at the end of the release attributed to George Osborne. Presumably what is meant is that the regulated fare rise in January 2015 will rise by the inflation in July 2014 as measured by no more than RPI.

Finally the title of the press release reads, "Government extends freeze on rail fares to 2015". This is wholly misleading. Rail fares have not been frozen, in fact they are to be raised by up to 56% above the government's preferred measure of inflation.

Against an already confused background where CPI is often used for incomes (eg. public sector pensions, benefits when not additionally constrained) and RPI often used for expenditures (regulated prices) the lack of clarity in this press notice is particularly unwelcome.

I would be grateful if you would consider this complaint and take the appropriate action.

Yours,  
Tony Cox