

2nd April 2026

Will Godfrey

Director of Economics, Finance and Markets  
Office of Rail and Road

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### **Concerns regarding the UK maintenance market structure**

Dear Will,

We are writing to express our concerns about the rolling stock maintenance market structure in Great Britain. Train Operating Companies (TOCs) are spending over £3.3 billion per year to lease and maintain rolling stock, and yet up to 20% of the 15,348-vehicle strong fleet is unavailable for passenger services at any given time.<sup>1</sup>

The underlying issue is that we believe the largest Original Equipment Manufacturers (OEMs) hold dominant positions in the rolling stock maintenance market, and arguably a virtual monopoly over the maintenance of their own vehicles. It seems to us that a TOC will often have to return to the original manufacturers Alstom, Hitachi, Siemens, or Stadler for the maintenance of rolling stock. No third-party maintainer (3PM) has been able to establish themselves against these big maintenance providers.

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<sup>1</sup> ORR Statistics, <https://dataportal.orr.gov.uk/statistics/infrastructure-and-environment/rail-infrastructure-and-assets/>

OEMs are often directly awarded maintenance contracts by TOCs, allegedly with little renegotiation, despite large cost increases. The initial tender process for rolling stock often sees fierce competition, while the downstream maintenance contracts are directly awarded and we believe are used to recuperate profit.

The long lifespan of rolling stock gives time for OEMs to potentially make large profits through directly awarded maintenance contracts. Indeed, we believe that margins are far beyond what one would expect to see in a competitive market such as the automobile or aviation sectors.

In the EU, there are several third-party maintainers who are challenging the traditional large OEMs in their home markets. Costs of rolling stock maintenance for TOCs have come down and the sector as a whole appears to be more competitive.

The ORR's 2025 Report on the Rolling Stock Transparency Order 2009 has highlighted the need for greater transparency in the maintenance market. TOCs in particular complained about the lack of transparency about maintenance costs. The ORR failed to make a recommendation, citing the need for a new market analysis.

We now call on the ORR to perform this market analysis, and urge you to recommend steps that can be taken to correct what we believe to be market imperfections. Should the

ORR be unable to perform such a market study at this time, we would then urge the ORR to recommend to the CMA that this matter requires urgent attention.

In practice we believe that three key steps can be already taken:

1. Mandate open re-tendering and/or independent benchmarking for all maintenance contracts;
2. Require OEMs to publish standardised pricing frameworks for maintenance services, spares, support packages, and commercial terms.
3. Apply the Procurement Act 2023 to all future and extended rolling stock maintenance procurements, steering away from direct awards and embracing SME and 3PM fair access and treatment to the tender procedure.

As more railway operators come under public ownership with GBR, there has never been a more important time for a cost-effective maintenance market in rolling stock to emerge. The taxpayer is already directly footing the bill for expensive rolling stock maintenance.

Kind regards,

John Thomas

Policy Director, ALLRAIL