Appendix 2

Local Government & Social Care OMBUDSMAN

Report by the Local Government and Social Care Ombudsman

Investigation into a complaint about Transport for London (reference number: 24 021 232)

09 October 2025

The Ombudsman's role

We independently and impartially investigate complaints about councils and other organisations in our jurisdiction. If we decide to investigate, we look at whether organisations have made decisions the right way. Where we find fault has caused injustice, we can recommend actions to put things right, which are proportionate, appropriate and reasonable based on all the facts of the complaint. We can also identify service improvements so similar problems don't happen again. Our service is free.

We cannot force organisations to follow our recommendations, but they almost always do. Some of the things we might ask an organisation to do are:

- apologise
- pay a financial remedy
- improve its procedures so similar problems don't happen again.

We publish reports to raise awareness of significant issues, encourage scrutiny of local services and hold organisations to account.

Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

Report summary

Highways and Transport

We have found Transport for London's (TfL) operation of its vehicle scrappage schemes failed to:

- be open, accountable and transparent about its process for handling applications to these schemes; and
- follow a proper process for making, and publicising, changes to the schemes' terms and conditions and their operation.

This has caused uncertainty and misled the public about the way it administers and determines applications to these schemes.

Finding

Fault found causing injustice and recommendations made.

Recommendations

TfL must consider the report and confirm within three months the action it has taken or proposes to take. Its senior governance board should review the report and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)

In addition to the requirements set out above, within 3 months TfL should review its processes to ensure:

- there is a formal documented process for determining and approving any changes to the terms and conditions of its scrappage and any similar future schemes; and
- it promptly publishes any changes to such schemes on its website so that members of the public are appropriately informed of the changes and of when they will come into force.

TfL should provide us with evidence of the review and the changes it makes as a result of it.

TfL has accepted these recommendations.

The complaint

1. As a result of our other investigations about TfL's operation of its vehicle scrappage schemes, it came to our attention TfL has failed to:

   - be open, accountable and transparent about its process for handling applications to these schemes; and
   - follow a proper process for making and publicising changes to the scheme terms and conditions and their operation.

   This has caused uncertainty, and misled the public about the way it administers, and determines, applications to these schemes.

Legal and administrative background

The Ombudsman's role and powers

2. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word 'fault' to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (Local Government Act 1974, sections 26(1) and 26A(1), as amended)
3. We may investigate matters coming to our attention during an investigation, if we consider that a member of the public who has not complained may have suffered an injustice as a result. (Local Government Act 1974, section 26D and 34E, as amended)

How we considered this complaint

4. We produced this report after examining relevant documents and information, including:

   - information provided in the three complaints to us, mentioned in this report;
   - TfL's response to our written enquiries about these complaints; and
   - relevant law, guidance or procedures mentioned in this report.

5. We gave TfL a confidential draft of this report and invited its comments. We considered any comments received before completing the report.

What we found

What should have happened

TfL's Code of Governance

6. TfL is a statutory body created by the Greater London Authority (GLA) Act 1999. It has responsibility for most aspects of London's transport system.
7. Its published Code of Governance says, regarding its structures and processes:

   - there will be corporate ownership of policy decisions;
   - the roles and responsibilities of Board Members will be clearly documented;
   - the roles and responsibilities of managers will be clearly documented;

- it will ensure it has a documented delegation scheme that reserves appropriate responsibilities to the Board and provides managers with the powers necessary to conduct routine business;
- it will ensure that all activities are fully documented, appropriately authorised and carried out in a planned manner; and
- it will ensure a senior manager is made responsible for all aspects of operational management.

Our principles of Good Administrative Practice

8. We publish guidance about good administrative practice for local government. We use this as a benchmark for the standards we expect when we investigate complaints about organisations whose actions we investigate.

9. We expect organisations to be open and accountable. This includes being open and clear about policies and procedures and maintaining transparency in the light of complex service delivery arrangements.

What happened

Background

10. From January 2023, TfL operated the following schemes allowing eligible applicants to receive a grant to scrap or retrofit non-compliant vehicles to prepare for the expansion of the Ultra Low Emission Zone (ULEZ):

- a van and minibus scrappage scheme available to eligible small businesses, microbusinesses, charities and sole traders within Greater London; and
- a car and motorcycle scrappage scheme available to eligible residents. This included options for disabled people to scrap or retrofit wheelchair accessible vehicles, and for taxis, if they had not received prior funding through a separate scheme.

11. The scheme terms and conditions were published on TfL's website.

12. We investigated three separate complaints (Cases A, B and C) about the way TfL dealt with applications to these schemes. Our findings in these complaints raised concerns about TFL's governance over the way it operated and made changes to the schemes.

13. We decided to open a separate investigation to look into these wider concerns.

Case A

14. This was a complaint about the way TfL dealt with an application for a grant payment under its van and minibus scrappage scheme.

15. The published scheme rules included the following at 6.1:

"The Scheme is subject to change at any time at TfL's sole discretion, provided that any such change will not apply to Applications made before the date of that change. Any changes made to Van and Minibus Scrappage Scheme will be published on the TfL website."

16. We asked TfL to refer us to the relevant published scheme terms and conditions allowing it to reject an application where there were outstanding Penalty Charge Notices (PCNs) for the vehicle for which the grant was applied. TfL issues PCNs for failures to pay the London congestion zone, low emission zone, ultra low emission zone, Silvertown and Blackwall Tunnel charges on time.

17. It told us:

- there was no scheme term requiring the settlement of outstanding PCNs;
- an internal business rule introduced in April 2023 said a search for outstanding PCNs should be carried out when an application was processed; and
- it would work with an applicant with outstanding PCNs to secure payment or a resolution. If the applicant refused to pay or did not respond, the application would be rejected.

18. We found fault by TfL. It had failed to be open, accountable and transparent about its process for handling applications with outstanding PCNs.

19. This was because although the published scheme terms did not include a requirement to settle outstanding PCNs, it introduced an unpublished process which effectively stopped applications proceeding unless outstanding PCNs were settled.

Cases B and C

20. These were complaints about applications for grant payments under TfL's car and motorcycle scrappage scheme.

21. The published scheme rules as at August 2023 included the following at 7.1

"The Scheme is subject to change at any time at TfL's sole discretion, provided that any such change will not apply to Applications made before the date of that change save where TfL at its sole discretion elects otherwise. Any changes made to ULEZ Car and Motorcycle Scrappage Scheme will be published on the TfL website."

22. In response to our enquiries TfL told us:

- its policy from 21 August 2023, was not to accept applications for grants to scrap vehicles that were currently or previously licensed as taxis during the 12-month period preceding the launch of the scheme;
- the change was introduced at short notice and as an internal business rule. It had not carried out any public information campaigns or updated the information on the website at the time;
- it advised customers of the new policy when they submitted a relevant application. It introduced template wording in August 2023 for rejecting applications where the vehicle had been a licensed taxi within the 12 months prior to the scheme's start; and
- it was allowed to make retrospective changes to the scheme under clause 7.1 of the terms and conditions.

23. We found fault by TfL in Cases B and C because it failed to:

- tell the applicants, when they submitted their applications, their vehicles were ineligible because they had been licensed as taxis after January 2022;
- publish the change introduced in August 2023 on its website, in accordance with clause 7.1, until March 2024; and
- provide evidence of how and when the decision to introduce the change was made. The lack of documented decision making was poor administrative practice.

24. We also found clause 7.1 did not meet the standards set out in our Principles of Good Administrative Practice. This is because, by allowing TfL to apply changes retrospectively at its sole discretion, the scheme fails to provide clear, consistent terms applicants can rely on. We said this was fault.

TfL's response to our enquiries for this report

25. We asked for details of the process it followed to determine the scrappage scheme terms and conditions before it opened in January 2023. TfL told us:

- there was no formal documented process for devising the scrappage scheme terms and conditions; and
- following the mayor's commitment to introduce the scheme, its terms and conditions, and its operation were devised by a team of people across several TfL departments and the mayor's office. TfL's legal team approved the final scheme terms.

26. We asked for details of its process for making changes to the scheme terms after it opened in January 2023. TfL told us there was no formal process for making changes. The scheme was monitored and changes introduced when necessary.

27. We asked how, when and by whom the decision was made to introduce the requirement in April 2023 for the payment of outstanding PCNs before accepting an application. TfL told us:

- the issue was raised when it was identified applications were being made for grants to scrap vehicles with outstanding PCNs; and
- following a discussion between those responsible for administering the scheme, a decision was made to introduce the requirement for payment of PCNs.

28. TfL also told us its failure to publicise the change did not affect its entitlement to make the change under clause 6.1. The issue impacted a small minority of total applicants. The combined total of outstanding PCNs for 30 of these cases was £1.2m. It did not believe it was within the spirit of the scheme to make grants to applicants with outstanding PCNs. Its discretion when administering the scheme allowed it to take the steps it did to protect the principles behind it.

Conclusions

29. We appreciate what TfL has said about the intention of the scrappage scheme - to use public funds to help those who need it most to scrap their vehicles and switch to greener, cleaner forms of transport. It is not our role to make any findings on the merits of the changes TfL made to its scrappage scheme.

30. But, based on the evidence provided to us, we consider TfL's processes for making decisions about the operation of the scheme and changes to the terms and conditions do not meet the requirements in its own Code of Governance or our expectations of good administrative practice. This is fault.

31. The impact of this fault is:

- service users have been treated unfairly. The introduction of unpublished changes to schemes meant they were unable to make informed decisions about applying for a grant; and

- the introduction of unpublished changes to the scheme, without any record of the decision-making process for the changes, undermines its transparency and accountability.

32. We have set out in our recommendations the action TfL should take to put this right to ensure the same problems do not happen again if there are similar schemes in future.

Recommendations

33. TfL must consider the report and confirm within three months the action it has taken or proposes to take. Its senior governance board should review the report and we will require evidence of this. (Local Government Act 1974, section 31(2), as amended)

34. In addition to the requirements set out above, within 3 months TfL should review its processes to ensure:

- there is a formal documented process for determining and approving any changes to the terms and conditions of its scrappage or any similar future schemes; and
- it promptly publishes any changes to such schemes on its website so that members of the public are appropriately informed of the changes and of when they will come into force.

TfL should provide us with evidence of the review and the changes it makes as a result.

35. TfL has accepted these recommendations.

Decision

36. We have completed our investigation and found fault by TfL causing injustice. TfL should take the recommended actions to improve its service for future users.