

# Consumer Panel minutes

## 1-4pm Thursday 23 June 2016

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### Attendees

#### Consumer Panel

Keith Richards (KR)	Chair	Trisha McAuley (TM)
Sarah Chambers (SC)		Adam Scorer (ASc)
Ann Frye (AF)		Anthony Smith (AS)
Steven Gould (SG)		Claire Whyley (CW)
Robert Laslett (RL)		

#### Invited guests

James Tallack (JT)	CAA (PPT)	Pedro Pinto (PP)	CAA (CMG)
Beryl Brown (BB)	CAA (CMG)	Rob Toal (RT)	CAA (CMG)
Tim Johnson (TJ)	CAA (PPT)		

#### Apologies

None

Minutes by James Tallack, Panel Secretary

### 1. Terms of Reference review

KR introduced the item by supporting the CAA's decision to review the CP's Terms of Reference (ToR), which were presented in draft at the meeting. The ToR have not been looked at since the CP was established in 2012 and the and the financial pressures on the CAA mean an operating model for the CP that provides value for money to the CAA is now even more important. KR said that the CP started off trying to improve the CAA's fundamental understanding of the consumer interest and a more general ToR was appropriate for this role. However, there is now a need to focus on specific issues in greater depth a way that is supportive to the CAA but does not constrain the CP's independence.

#### Key comments/responses/questions

- TJ agreed with much of KR's introduction. The CAA is clearly in a different place than when the CP was established and the CP has played a key role in changing the CAA's culture to a more consumer-focused one. TJ emphasised that the CAA did not want to remove the CP's independence of thought, which is critical, but needed to ensure the CP's input was effectively aligned with the CAA's work programme and the CP was focused on the issues that the CAA could realistically influence.
- KR agreed that there need to be priorities, but said discussions with the CP prior to the meeting revealed a concern about wording that implied the CP would need to agree its work programme with the CAA. The ToR mustn't constrain the CP and needs to guarantee enduring independence, i.e. not just for the current CP

- TJ said he saw a distinction between independence of thought and independence of scope. The ToR doesn't say the CP can't look at other issues, but needs to avoid the CP looking at things where CAA has no powers. Ultimately the CAA needs to fulfil its statutory duties towards consumers and sees the CP as a way to do this. Therefore the CP needs to be focused on the things CAA does where there is an explicit duty to the consumer. This may mean that focusing on safety or security matters is potentially less valuable than focusing on markets/transactional issues.
- KR said he felt the safety and security discussions with the CAA had been very valuable and had helped shed light on issues and the need to think more deeply about consumers. KR gave airspace change as an example of an issue where the CAA had not seen a consumer issue but the CP's ability to look at the issue and intervene on consumers' behalf had got the CAA thinking about airspace change in a different way.
- RL said the revised ToR should contain a broader presumption that the CP will help the CAA change its culture and that this should go beyond the CAA consulting the CP on its strategic plan. TM said she would be concerned about any sense that the CAA Board needed to sign off the CP's work programme.
- KR concluded by saying that he was sure the revised ToR could be made to work and proposed that the CAA submit a revised draft that reflected the CP's concerns.

### Action

JT to revise draft and circulate to CP.

## 2. 2015-16 Annual Report

The CP discussed its 2015-16 Annual Report, which had been circulated before the meeting in draft.

### Key comments/responses/questions

- The CP felt the priorities in the draft Report were the right ones, but the Report needed to be clearer that the other issues identified were 'nice to dos' as the CP had very finite resources.
- KR felt more needed to be said about culture and welcomed TJ's confirmation that the CAA would be taking forward a project on regulatory capture and how the CAA guards against this risk.
- In terms of style, the CP felt that the Report could use plainer language and consistent terminology to describe disabled passengers.

### Actions

No actions

## 3. Surface access review

BB introduced the item and summarised the CP's input to date on the surface access review as: encouraging the CAA's work in area; supporting the aim that consumers have access to widest possible range of SA options; requesting that the CAA used consultation to

understand sector better; and encouraging development of principles. BB said that consumer engagement with the review wasn't particularly high and initial discussions with consumer groups revealed relatively low interest in the issue. BB added that disabled consumers had been taken out of the scope of the review and were etc being looked at through other workstreams. BB said that stakeholders consulted didn't disagree that there wasn't perfect understanding of all the options among consumers but that people broadly knew what was available. BB concluded by saying that the review had found that airport operators had a generally good understanding of the law and that no further work in the area of competition law was planned, although it may be useful to provide guidance on obligations in various scenarios.

### Key comments/responses/questions

- KR acknowledged the surface access review team's willingness to engage with the CP. KR said the CAA project raises profile of issue – which is a deterrent in itself – and reminders, such as guidance, are useful.
- AS noted how Gatwick pushes people towards their own parking operators and how marketing can be useful as an information tool. There is an interesting tension between competition and information – the CAA shouldn't want to drive people out of the market by requiring advertising of competitors, nor should companies be asked to 'vouch' for the quality of their competitors' products.
- SG noted that at Heathrow passengers are 'funnelled' towards the Heathrow Express rather than possibly better value options, such as the Underground. This may be an unintended consequence of way HAL (and possibly GAL) are regulated. Maximisation of commercial revenues may not be in passengers' interests – is the CAA listening too much to airline voices rather than consumer voices?
- AF expressed disappointment that the surface access review did not include disabled consumers' (PRMs) experiences as surface access is such a material issue for PRMs, perhaps more so than for others. This was a very inappropriate judgement – info needs should have been core to this work as surface access barriers can disadvantage PRMs relative to other consumers.
- RL noted the pressure from airlines to reduce airport fees and said that the costs of general airport operations are being shifted away from airlines towards individual consumers who are less able to resist them.
- KR agreed that the CAA had not found any evidence of systematic harm, but felt there could be pockets of detriment meaning that tracking and understanding consumers' experiences is important. KR echoed AF's view that the interests of PRMs – an important and growing number of people – have not been factored in to the project and this needs to be addressed.

### Actions

No actions

## 4. Economic review of Heathrow Airport Limited ('H7')

RT provided a short verbal update on the key strategic themes for H7.

## Key comments/responses/questions

- AS asked what the consumer case for the proposed extension of the current Q6 price cap. RT said it would capture falling prices without needing to reopen the building blocks of the price control. Fundamentally the argument is that consumers pay the airline fare not the airport charge.
- TM said it was a shame to pull back from HAL ownership of the Consumer Challenge Forum (CCF) but understood the challenging stakeholder environment. TM added that a line of communication between CCF and the CP was important to avoid duplication of work as happened between the Consumer Council for Water (CCW) and the water company Consumer Challenge Groups (CCGs).