



**Minutes of 7th CAA Consumer Panel Meeting
Thursday 7th November 2013 2-6pm**

Present:

Keith Richards	Chair
Sarah Chambers	Panel Member (para 1-3)
Philip Cullum	Panel Member
Ann Frye	Panel Member
Steven Gould	Panel Member
Alastair Keir	Panel Member
Robert Laslett	Panel Member
Anthony Smith	Panel Member

Invited guests:

James Tallack	Senior Consumer Policy Adviser, CAA
Matt Buffey	Head of Consumer Policy and Enforcement (para 2)
Judith Corbyn	Head of Economic and Statistical Research, CAA (para 2)
James Fremantle	Senior Consumer Policy Adviser, CAA (para 2)
Tim Griffiths	Head of Price Control for Gatwick Airport, CAA (para 1)
Peter John	Interim Head of Price Control for Heathrow Airport, CAA (para 1)
Maggie Kwok	Regulatory Policy Adviser, CAA (para 1)
Iain Osborne	Group Director, Regulatory Policy, CAA (para 3-4)
Katherine Smith	Consumer Policy Adviser (para 2)
Sandra Webber	Director of Consumer Support, CAA (para 2-4)

Apologies:

Crispin Beale	Panel Member
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Meeting minuted by James Tallack

Q6 update

1. The Panel received a short update from Tim Griffiths, Peter John and Maggie Kwok on the responses to the final proposals for Q6. The responses had only been received a few days prior to the meeting and the CAA was keen to stress that it was still reviewing them. This was therefore a short discussion in which Members made the following points:

1. The CAA should take account of the Competition Commission's upcoming provisional determination on the Northern Ireland Electricity price control, which is likely to be relevant to all utilities, including regulated airports.

2. Although this has not been requested by the CAA, there may be a role for the Panel in the event of any challenge to the CAA's final decisions, although the nature of such a challenge would determine what this role would be. The Panel agreed that it would need to consider this possibility further.

Update on consumer research

2. The Panel received its regular briefing on the CAA's recent consumer research activities. This covered the findings of a research pilot carried out at Stansted into passengers' experiences during disruption (provided by Matt Buffey), research into consumer satisfaction with assistance provided to of disabled people and passengers with reduced mobility and an audit of airport/airline compliance with legislation covering the rights (James Fremantle). Members made the following points:

Disruption research

- The research reinforces the importance of providing passengers with real-time information during disruption. This challenges the way that CAA's information duties are geared towards the provision of pre-purchase information rather than information during the course of using air services.
- In such research it is important to allow passengers to define disruption, rather than using pre-determined definitions in relevant legislation (e.g. EC261/2004).
- Following the pilot CAA needs to expand this research to other airports as it is important to understand passengers' experiences at smaller, regional airports, which may be less well-resourced to deal with disruption than the large airports in the Southeast.
- This research is an important step forward but CAA should continue to investigate how it can maximise the benefit of actually having survey teams in airports by collecting data on passenger experiences while they are actually experiencing disruption, rather than 'after the event' (as people may struggle to remember exactly what happened and/or their views may be coloured by how an airline/airport dealt with any subsequent complaint).

Disabled passenger research and compliance audit

- One weakness of the approach taken for the compliance audit was that it was difficult to know if airlines and airports had provided truthful and accurate information about their performance so the audit would need to be supplemented with other intelligence, such as survey and complaints data and inspection visits (although the latter would only be able to identify the 'tangible' aspects of service provision).
- The satisfaction research needs to include consumers who aren't well informed and in touch – using charities to disseminate surveys is likely to bias the sample in favour of the more engaged.
- The growing trend towards online check-in and print at home boarding cards makes life increasingly difficult for passengers needing assistance as they may find it difficult to identify themselves to an airport on arrival. This will undermine the benefits of pre-

notification as people can go adrift in the system. CAA therefore needs to understand whether passengers are using assistance points and should explore whether providing information about assistance points should be part of its information work.

- What can the CAA learn from the results and what can airports learn from each other (for example why has performance dropped so much for LHR but improved for BHX)? Is there scope for CAA to publish findings and name and shame poor performers, perhaps through a regular report?
- On seating issues and providing assistance to get to the toilet on aircraft there was some concern about airlines' policies of seating mobility-impaired passengers in the middle of the aircraft as initial EASA research had not identified an obvious safety issue with them being seated elsewhere. This suggests that some airlines do not consider providing a good service to disabled passengers to be a priority.
- There are wider questions about whether regulation can be used to promote competition for those who are not 'average' or 'mainstream' consumers. In many cases it seems like enforcement is the only option (although adverse publicity may also have a role to play). However CAA should explore scope for smarter regulation – perhaps a quality standard for service provision (going beyond minimum legal requirements and looking at things like stakeholder engagement and organisational culture) could be developed and monitoring and enforcement focused on those who don't meet best practice. In any case, it is increasingly clear that a key role for the Panel is to promote the interests of those for whom the market doesn't deliver.

General comments

- It would be useful for the Panel to know what CAA spends on consumer research so it can be benchmarked against other regulators. For example, is there a dedicated research budget with extra funding available for specific projects?

CAA's information duties policy statement

3. Sandra Webber updated the Panel on where the CAA had got to with the development of the statutory policy statement to support its new information duties and the specific consumer information remedies being developed. Members, who had been provided with a draft of the policy statement and a summary of consultation responses, made the following points:
 - Although star ratings were unpopular among industry respondents, CAA should not as a matter of policy rule out developing ways to provide information in a simple, comparable format where it is appropriate to do so.
 - Even if individual retail consumers don't use the information, providing ways for businesses to be ranked (e.g. through the release of raw data) by other stakeholders like consumers and the media can be a very effective way to drive up standards. For example, consumers ignored star ratings for new build properties but standards rose as a result of a desire among businesses not to be last on the list. CAA should therefore not

underestimate the power of league tables, especially in an industry that commands such a high level of consumer and media attention.

- The policy statement suggested that CAA was only interested in ‘first round’ effects of information provision (i.e. whether consumers are better informed). Surely CAA should also look to see if the market has also improved as a result of providing information to consumers (although appreciate that it may be difficult to isolate impact of information provision from other factors).
- There is an important distinction between capturing and publishing information. CAA should expect well-run companies to be capturing information that is likely to be of interest to consumers even if they don’t publish it. As such, the development of information remedies can also inform wider monitoring of businesses’ behaviour and conduct by regulators.
- CAA should not concern itself too much on the adverse effects of information provision in the development of remedies. The important thing is to get information out to consumers and refine it and make changes once you start to see the impacts in a real market environment. This is one of the big advantages of information as a regulatory tool – it offers flexibility as it doesn’t require businesses to make changes to actual products and services.

Development of CAA’s consumer strategy

4. James Tallack provided the Panel with a short presentation on the issues that CAA had identified as key to the development of its consumer strategy. Members, who had received a copy of the draft strategy document ahead of the meeting, made the following points:

- Needs to be clearer on the scope of the strategy – is this about changing the market because it doesn’t work, empowering and protecting consumers where competition doesn’t deliver, or legitimising CAA’s role?
- What’s missing is how the strategy translates into action – there needs to be a work programme setting out what CAA is going to do and in what order?
- The trade-off between the interests of current and future consumers is an essential element of regulatory policy but isn’t covered in enough detail – where are trade-offs likely to occur for example?
- Addressing the issue of how consumer interests relate to wider citizen interests makes the whole consumer strategy tractable but it is not clear that this discussion belongs in the consumer strategy or in a wider strategic piece that sits above it.
- Is the attempt to define the consumer really necessary? It seems obvious that this is really about passengers and whether they are getting what they pay for.
- This is a complex market with hundreds of submarkets – an effective consumer research strategy has to be at the heart of this if CAA is really going to understand what is going on and align actions to well-evidenced consumer risks.

Review of Panel working practices

5. Members made the following points on the key issues identified:

Panel meetings

1. Although the ambition should be to ensure that as many members as possible attend meetings, even the less well-attended meetings over the previous 12 months have been effective where the right people are there for the topics covered.
2. Four hour Panel meetings are too long – more frequent meetings (5-6 per year) of no more than three hours would be preferable.
3. The Panel feels like it is getting most traction when senior people (i.e. decision makers) attend meetings. This is because the Panel is most effective when it is scrutinising CAA policy at a higher level (i.e. the overall direction of particular projects and consumer strategy in general) rather than operational detail.
4. Briefing papers need to be shorter – just the core points and links to longer documents with the detail is enough.

Stakeholder engagement

5. There's a risk of us becoming too close to the regulator if we only meet with CAA staff – next year we need to meet with industry and consumer stakeholders more frequently. These meetings should be 'opt-in' (i.e. not part of Members' core commitment to the Panel). A very productive dialogue has been started with the other sectoral consumer panels and this needs to continue.
6. In terms of internal stakeholders, the Panel needs to engage with parts of CAA beyond RPG that have a consumer remit, i.e. CPG and SARG.

Panel work programme

7. The Panel recognised the challenges in sharing its policy secretariat with CAA and agreed that more of James's time would be needed in early 2014 to ensure that the Panel is able to advance its own agenda as well as providing advice to CAA.
8. The project to look at the role of price comparison services could be broadened to look at the role of intermediaries in general.
9. Another important issue to tackle is how the Panel's impact could be measured – should look to see how other consumer panels address this.

End of minutes