

17 January 2014

CAP 1143: The CAA's policy statement on its new information duties

Dear Colleague

As you are aware, the consultation on our new information duties under the Civil Aviation Act 2012 (CAP 1037) closed on 31 August 2013. The consultation sought stakeholders' views on:

- our draft statement of policy for how we intend to fulfil the duties placed on us by the Act; and
- our first proposals for consumer and environmental information outputs.

Following careful consideration of formal responses to the consultation, as well as views expressed at stakeholder events and meetings held throughout 2013, we have today published our final [statement of policy](#). Alongside the statement of policy, we have also published a [summary of the responses we received to the consultation](#), which sets out how we plan to take forward the information outputs proposed in the consultation.

Statement of policy

Under section 92 of the Act we are required to publish a statement of policy, which explains how we will carry out the duties placed on us by the Act and that, in doing so, we will have regard to the principle that the benefits of our actions should outweigh any adverse effects. Our approach is strongly informed by the Better Regulation agenda, including the Principles of Good Regulation developed by the Better Regulation Task Force, the Hampton Review principles and the Accountability for Regulator Impact principles recently published by BIS. Our statement of policy will guide our work in this important area of regulatory policy and ensure that our stakeholders, who have been consulted in its development, are able to hold us to account effectively.

The first part of our statement of policy explains our view that, even in generally well functioning markets like the UK aviation sector, the market alone may not always provide the information that consumers and the public demand. As such, there may be a role for regulatory intervention to facilitate the provision of information, leading to more competitive and environmentally sustainable outcomes. We have described the processes we will follow to identify where problems exist that could be addressed by information provision, how we will determine whether information provision is the most appropriate response to a problem, and how we will assess the impacts of information provision in a proportionate and accountable manner. We also clarify the types of information we can make available under the Act, the channels we may use to distribute information and how we intend to support the Government's Open Data agenda.

In the second part of the statement of policy we set out the approach we will take to enforcement if necessary.

Summary of responses

The summary of responses explains how we have revised our draft statement of policy in light of stakeholders' views. We have also modified our plans regarding the consumer and environmental information outputs proposed in the consultation, after considering stakeholder views, and our intention is to develop these as follows:

- Although we received objections from a majority of industry respondents, we still consider that our research demonstrates interest from consumers in more **information about delayed and cancelled flights**. We therefore intend to develop appropriate information – which was supported by consumer groups – further. Nonetheless, we agree that the requirement of section 83 to provide information that assists consumers with comparisons of services and facilities presents some challenges. A particular issue is how we ensure that information is relevant to the purchase that the consumer is making and that the consumer understands the limitations of the information. It is also important that we have a full understanding of the range of data that could be used to support such a proposal, which could be provided by a number of different parties (and in some cases is already being collected by businesses to fulfil existing European regulatory requirements). The consultation raised many points about appropriate definitions and presentation of data, particularly star ratings which we do not intend to pursue as a fixed goal, but wish to be clear that this does not preclude us from continuing to look for accessible presentation methods. We intend to engage further with industry and consumer groups on the various options for implementation to ascertain the costs and how to address concerns that what is published should be genuinely informative for consumers. We expect to begin this engagement early in the second quarter of 2014.
- We have decided to de-prioritise the proposal to provide **information about mishandled baggage** while we develop a better understanding of airlines' and airports' baggage handling systems and the information they generate, particularly the level of disaggregation that would be needed to make information relevant to UK consumers.
- Given the general support we received, we intend to implement quickly our proposal on **information for passengers with a disability or reduced mobility**. However, we are now proposing a less prescriptive approach by mandating minimum standards for the information provided on airport and airline websites and for the accessibility of this information on the website (in terms of ease of access from the home page). This will give individual businesses greater control over how they present this information to their customers. We accept the practical problems identified by respondents in the CAA publishing its own matrix of information provided on individual companies' websites and we acknowledge that there is little support for a star rating system. We therefore do not intend to proceed with either of these options at this time. Over the coming weeks we will be contacting stakeholders with a revised proposal and our estimate of its impact on businesses and consumers, with a view to implementation by summer 2014.
- We have changed our approach on **information about fees and charges**. We now consider that the aims of our proposals in relation to the provision of information on *airline* fees and charges are best met through continuing enforcement of Article 23 of EC 1008/2008 the Air Services Regulation. We will ensure that *third party websites* selling or displaying flights (travel agents, price comparison websites and other intermediaries) clearly inform consumers at every relevant point if additional fees for optional services apply, even if they do not sell those services themselves. We will also further develop the airline and airport fees and charges tables on the CAA's website, giving consideration to extending its coverage of airlines and airports and to how it could be presented in a more user friendly way. Finally, we

have decided to drop the proposal to require *airports* to display fees and charges for optional services as responses indicate that this is already widely achieved and these fees and charges are generally low and easily avoidable.

- On **information about carbon emissions**, the consultation responses have highlighted the difficulty of addressing a lack of standardisation in reporting at the national level. We accept that an approach that could result in a profusion of domestic schemes could lead to less rather than more clarity. Attempting to impose a methodology solely for use by consumers purchasing flights from the UK would therefore be unhelpful in tackling a global issue. Instead, we propose to provide – and publish on our new environment portal (see below) – interpretive guidance for consumers to help them understand the differences between the different measures used by the industry. We do not intend to abandon the concept of a common methodology, but will now take this forward as voluntary guidance for industry. This guidance will be developed through consultation with stakeholders, which will be undertaken in the first half of 2014 and will be used as the basis for discussions with the UK Government and organisations like the European Commission and ICAO about the future development of an international approach to standardisation.
- There was strong agreement among stakeholders on the need for better use to be made of existing environmental information in relation to aviation's environmental impacts. It was felt that a considerable amount of information is already available, but this information is often technical in nature and difficult to access. It was suggested that the CAA is well placed to make this information more accessible to those that need it. Therefore, over the course of 2014 we will be consulting with stakeholders on the development of an **online environmental information portal** through which this information will be made available in an effective, user-friendly way. We anticipate that the portal will also help us to identify where there are gaps in information provision.
- In conjunction with the development of the environmental information portal, we have adapted our initial proposals on **information about noise**. We will be taking forward three pieces of work as initial steps towards provision of better noise information. Firstly we will review and refresh any explanatory text that the CAA has on existing noise metrics and what they mean. Secondly, we will work with relevant stakeholders to develop and publish best practice guidance on the communication of noise information. Finally, despite some stakeholders' concerns about developing a postcode-based noise-mapping tool, we remain minded to develop such a tool. However, we will explore further the need for such a tool before deciding to proceed with its development, and will involve our stakeholders in this important work.

With the publication of our statement of policy, information provision is now a core part of the CAA's regulatory toolkit, bringing us into line with many of the UK's other regulators. We firmly believe that information provision can make a positive difference to the UK's aviation sector, with the potential to reduce reliance on more intrusive and burdensome forms of regulation over time. We are therefore very grateful for the constructive input we have received so far from our stakeholders and remain committed to engaging you fully as we apply our new duties to the issues we have already identified and to those that may arise in the future.

Yours sincerely



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