

# Statement by the Chair

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Dame Deirdre Hutton

Like all regulators, the CAA exists to protect consumers. We do this in three ways: keeping passengers safe as they travel by air, promoting value and choice, balanced with the need to monitor the financial resilience of those who offer consumers that choice, and making sure that, if problems occur, consumers are able to obtain the protection to which they are legally entitled.

UK civil aviation has a proud track record on safety, with one of the safest industries in the world. But in a rapidly changing sector it is important that we stay on top of our game. Our Enhancing Safety Performance programme is about making sure our approach to safety regulation keeps pace with those changes, so we and the aviation industry are focussed on the most important risks, and that we have assurance that those risks are being tackled. That has formed a major part of our safety regulation work this year and recent events further emphasise the critical importance of our constant vigilance in relation to safety.

From April 2014 we will gain an additional and vitally important role in protecting air travellers, when we take over certain aviation security responsibilities from the Department for Transport. Security policy will rightly continue to be a matter for government. But responsibilities for regulation of the industry, including assessing compliance and undertaking enforcement, will transfer to the CAA. A significant programme of work is already under way to ensure the transition goes smoothly.



This year, our ability to promote choice and value for consumers was strengthened by the passage of the Civil Aviation Act – a significant update to the CAA's regulatory framework. Most importantly, it gives us a clear duty to put the consumer interest at the heart of our economic regulation of airports. This will be central to our approach as we make important decisions on the future of regulation at Heathrow, Gatwick and Stansted.

The legislation also gives us an important new duty to publish - or require the industry to publish - information that is helpful to consumers in making informed buying decisions. We commenced, during

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May 2013, a consultation of our policy statement on how we will use these powers. The focus will be on giving passengers the information they value, so driving up standards. We have similar new responsibilities in relation to environmental information, and this will be an important tool in our ability to incentivise the industry to tackle its environmental impacts.

The year under review saw important changes to the ATOL holiday financial protection scheme. It has been extended to cover so-called “Flight-Plus” holidays – where holidaymakers buy both a flight and either car hire or accommodation from the same supplier within 24 hours. The new ATOL certificate means that people now have much clearer information about how their holiday is protected if things go wrong.

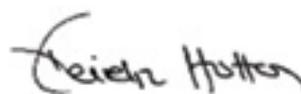
And, following some high profile court cases, we have dealt with a significant increase in the number of complaints from passengers dissatisfied with the way in which their airline has dealt with their request for assistance or compensation when they have suffered delay or cancellation.

To assist us in our work, we have set up a new consumer panel. Led by Keith Richards, it will be a critical friend to the CAA, challenging us to make sure the consumer interest is at the heart of our work. And integration into the CAA of the work formerly undertaken by the Air Transport Users Council ensures our regulatory approach is informed more closely by passenger experiences.

Despite tough economic times, the UK aviation industry continues to offer consumers unrivalled choice and value. But there are capacity challenges ahead. So we welcome the government’s establishment of the Airports Commission to consider the options for the future. We are committed to supporting their efforts in any way we can.

I am grateful to our non executive directors Roger Whitefield, Roger Mountford and Air Vice-Marshal Barry North, who leave the CAA Board this year. They have made a hugely valuable contribution to our work and will be missed. The CAA has been much supported by the commitment of all its Board members and I would like to thank them all for their continuing work on the CAA’s behalf.

These days it is easy to take for granted the freedoms and benefits that aviation brings us. But the ability to exercise those freedoms with confidence is dependent on effective regulation to guarantee safety and fair play. The CAA is firmly committed to that goal, and to adapting and strengthening our approach in the interests of all those who use air transport.



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**Dame Deirdre Hutton**

Chair

18 June 2013