

19th January 2026

Via email to: economicregulation@caa.co.uk

RESPONSE TO CAP 3195 – WORKING PAPER ON HEATHROW AIRPORT REGULATORY MODELS

Response Context

This response is primarily on behalf of the Heathrow Passenger Forum (HPF) on the basis that overwhelmingly it is the passenger who is most impacted by current and future regulation. But in relation to the wider local community impact of a change to regulation, it is worth flagging the importance of accountability, deliverability and transparency in any model which might add complexity (more than one operator for example) to the dynamic of important local community engagement and the necessary mitigations of the airport’s activities

We welcome the CAA’s scrutiny and review of regulation at Heathrow. As needs and challenges change, and the airport and the aviation market grows, it is important that a balance of ‘risk and reward’ is maintained, that the passenger remains at the heart of the equation and that the model supports consistent delivery, world class experience and innovation.

Specific Question Responses

“Do you agree with our assessment of how the regulatory model has performed to date in terms of protecting the interests of consumers ?”

- Yes, and the more nuanced and fact-based approach to disparities between Heathrow and other airports is valuable. From a traveller’s perspective our group noticed step changes in overall passenger experience upon the opening of T5 and the rebuilding of T2 that the current regulatory model has enabled.

“Do you agree with our assessment of how the current regulatory model might perform on a forward-looking basis?”

- Yes, performance to date of the model and predicted performance suggest a review and some degree of change is worthwhile.

“Do you agree with the framework for evaluation we have proposed ?”

- We are in partial agreement over the proposed framework in the sense it needs to ensure that any future model ‘supports the delivery of expansion and to avoid delay and disruption in the benefit to current and future passengers’’. (NB that is not CISHA or the HPF expressing a view on expansion but stressing the importance of avoiding ‘delay and disruption’ to passengers (and local communities) should expansion become a reality.)
- Promoting efficiency is key and we support incentives that ensure a timely delivery of any expansion.
- However, currently the proposed framework doesn’t appear to have the criteria that explicitly reference or evaluate the potential passenger experience benefits / impacts that a change in models could generate. Given that the CAA’s primary duty is to further the interests of consumers, this seems like something that is important to be added to the framework.

“Are there additional elements we should consider as part of the analytical framework that would better ensure that the options considered will align with consumers’ interests ?”

- In addition to the point made above about the urgent need for a wider passenger experience criteria to be added to the suggested framework we also feel there are some important passenger groups that need to be carefully thought about when evaluating possible future models:
 - **Passenger Assistance Service Users** – This is a critically important (and rapidly growing) passenger group, and the CAA must ensure that any proposed future regulatory model delivers for their needs and doesn’t have any unintended consequence on these vulnerable passengers’ journeys through the whole of Heathrow. We would be concerned about their experience in any models that introduce additional inter-changes or handovers between multiple suppliers.
 - **Transfer Passengers** - The needs of the transfer passenger are a critical area of delivery underpinning Heathrow’s status as the busiest hub airport in Europe and the important role it plays in connecting the other UK airports with the rest of the

world. Careful consideration needs to be given to any models which result in fragmentation of terminal operation through different ownership / management and the knock-on impact to the passenger. The passenger expects a seamless experience which delivers consistency with procedures and processes uniform across the airport.

- At the moment the illustrative assessment matrix provides an equal weighting between the different elements but we stress the importance of weighting the passenger 'elements of framework' to a greater degree than those that benefit the airport operator(s) or the airlines who will also be representing their own organisations financial interests.

“Do you agree with our description of the regulatory models we have identified ?”

- Yes, and believe that considering a large spread of mechanism from incremental enhancement to wholesale revolutionary reform allows for greater discussion and more certainty about reaching the right outcome.

“Are there additional variants of the current regulatory model that we should consider ?”

- No, not that we are aware of.

“Are there additional alternative regulatory models that we should consider ?”

- Other than the wildcard addition of a non-regulation route which would need to be assessed firstly through an updated market power determination - appropriate given the additional future capacity being created at other South-East Airports - and alternatively a 'lighter touch' model that as has been implemented at Gatwick, the range has been covered.

Regulatory Model Options

On balance the HPF favour an evolutionary approach over any revolutionary change. The reasons for this are two-fold and already outlined in the working paper in detail. Firstly, the need to avoid disruption and added risk to the expansion process that would see passengers impacted by and secondly, the risks to passenger service delivery through multiple operators. Competition is a desirable objective when it delivers enhanced, effective and efficient services, less so when it results in disruption and disparity.

So, at this stage models 1 through 4 seem balanced territories to consider.

It is vital as part of the new regulatory model that the CAA puts real consumers at the heart of the new framework rather than the interest of commercial organisations. We believe this review needs to address one of the key drawbacks of Heathrow's current regulatory model in the governance process, which we feel is not necessarily acting in the passengers' interest. Currently once the settlement is set by the CAA, decisions over which projects are completed and in which order is left to Heathrow with approval then given through the capital process by the airline community. This is something we have come to understand more through our work as the HPF H8 Strategic Subgroup.

This approach risks projects that are either within Heathrow or the airlines' own financial interest being prioritised over the ones that will provide genuine consumers benefit, which could be delayed or stopped resulting in consumers not receiving the maximum potential benefit from the Passenger Service Charge they pay. Unaddressed we can only see this issue being exacerbated by expansion and with some of the proposed regulatory models.

We would strongly encourage the CAA to carefully review the governance process from other regulatory sectors and incorporate ways in which consumers can have a more active role in any future regulatory model. Direct HPF experience of independent terminal operations such as at JFK is cautionary. Even with an overarching port authority construct the airport is one of the least passenger friendly in the world, especially when it comes to inter terminal transfers and consistency of experience.

Use of Skytrax as A Performance Measure

One additional point, as active passengers who are on the receiving end of Skytrax voting lobbying from both airlines and airports we are sceptical on the creditability of their rankings, seeing it more of a PR activity Skytrax is something that we are aware through online flyer groups that the Advertising Standards Agency also raised concerns about their methodology We would encourage the CAA to use other sources of representative passenger research data and undertake its own passenger research to inform its view over the right future model at Heathrow.

Finally

We look forward to the next stage in this process. Ensuring the regulatory model is fit for purpose now and for the future is essential for both the passenger who funds the airport activity through regulatory and discretionary spend and for the wider population who benefit from its economic contribution.

Yours faithfully

Mark A Izatt

Chair – Heathrow Passenger Forum

Deputy Chair – Council for the Independent Scrutiny of Heathrow Airport

info@cisha.org

www.cisha.org

ABOUT CISHA

CISHA ensures independent oversight of the way Heathrow Airport engages with stakeholders. The Council and its forums work with stakeholders to make progress on the issues that matter to them. We hold the airport to account and work to help ensure it is the best neighbour it can be. We fulfil the role of an Airport Consultative Committee (ACC) as set out in Section 35 of the Civil Aviation Act.

CISHA membership is made up of six forums: Local Community Forum (LCF), Noise & Airspace Community Forum (NACF), Heathrow Airport Transport Forum (HATF), Heathrow Sustainable Economic Growth Taskforce (HSEG Taskforce), Heathrow Air Quality Working Group (HAQWG), and Heathrow Passenger Forum (HPF). CISHA quarterly meetings also include representation from other stakeholders such as the local councils, airlines, the business community, and airport user groups.

ABOUT HPF

The Heathrow Passenger Forum monitors the end-to-end passenger experience. It considers any issue in connection with Heathrow Airport that would impact passengers and reports its conclusions and recommendations to CISHA and the airport. The Forum does this in four ways:

(1) Monitoring the procedures and facilities available to passengers and making recommendations for their improvement to Heathrow Airport. (2) Holding quarterly meetings to receive briefings and opinions from Heathrow Airport stakeholders and external experts and using the outcomes and insights to make recommendations to CISHA and the airport. (3) Providing a passenger perspective on airport developments and (4) Contributing to government and CAA consultations that impact the Heathrow passenger.