Civil Aviation Authority

# The Through Airport Passenger Experience

## An assessment of the passenger experience and airport operations at Heathrow, Gatwick, Stansted and Manchester airports

**9 March 2009**

# THE THROUGH AIRPORT PASSENGER EXPERIENCE

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The CAA has excluded from this report commercially sensitive information.  The omissions are indicated by ✂

**EXECUTIVE SUMMARY**

*Background*

1)      In November 2007, the Secretary of State commissioned advice from the CAA on improving the through airport passenger experience.[1]  Concern was expressed about particular pinch points where there is potential for passengers to experience delay and frustration and where the responsibility for delivering a good service lies with a combination of bodies.  The following paper sets out the CAA's advice on improving the interfaces between service providers at the UK's four largest airports to increase resilience of the through airport journey.

*Scope*

2)      As requested by the Secretary of State, the CAA assessed interfaces between service providers operating at Heathrow and Gatwick airports.  Given the large passenger numbers travelling through Stansted and Manchester airports together with the benefit involved with assessing how a range of large UK airports are managed, the CAA also included Stansted and Manchester airports in the scope of the study.  Service providers included the airport operators, the airlines and their ground handlers, and border control.

*Methodology*

3)      The CAA conducted 42 interviews with airports, airlines, ground handlers, trade associations and other interested parties at all four airports.  The interviews explored where key interfaces arose between service providers in the passenger's journey through the airport, the effect these can have on the passenger experience and how shortcomings at the interfaces could be addressed to improve overall service quality.  More than one meeting was held with most organisations in order to confirm the general themes arising across the interviews and to discuss measures that might be taken to remedy any difficulties identified.

4)      The CAA reviewed the available survey data on airport performance and passenger satisfaction.  In addition, the CAA commissioned its own survey from an independent market research company which interviewed 1600 passengers at the four airports.[2]

5)      The CAA also assessed industry performance data provided by BAA and Manchester Airport Group (MAG) for all four airports over the snap shot of a year (July 2007 to August 2008) to gain a better feel for trends in service delivery across all key stages of the though airport journey.

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[1] In accordance with section 16 of the Civil Aviation Act 1982, the Secretary of State commissioned advice from the CAA in its capacity as specialist aviation advisor.
[2] The CAA commissioned a passenger survey from ORC International at Heathrow, Gatwick, Stansted and Manchester airports, covering all key stages of the passenger experience.  The Department for Transport (DfT) also sponsored a set of questions which were added to the CAA's passenger survey from January 2008 and carried out at Heathrow, Stansted, Manchester and Bristol airports.  In the first half of 2008, around 7000 passengers were interviewed at the four airports.

6)      Finally, the CAA reviewed the effectiveness of the existing committee structures at all four airports which brought together staff at the senior operational level where joint planning could be expected to take place. The CAA also reviewed its own statutory framework that governs the CAA's responsibilities for air passengers, to determine its regulatory remit in relation to the multiple service providers involved in air travel.[3]

*Findings*

7)      The CAA heard that co-ordination between service providers at Manchester airport was working well, particularly relative to co-ordination at Heathrow, Gatwick and Stansted airports and makes no proposals for this airport.

8)      Industry stakeholders at Heathrow, Gatwick and Stansted voiced concerns about co-ordination around routine interfaces between the various suppliers. This was consistent with industry performance data that showed generally acceptable levels of service but the potential for long queues at various pinch points and concerns over baggage delivery standards. Performance data also showed problems with planning for service recovery as happened for example, in the early opening of Terminal 5.[4]

9)      Although working groups were in place to bring the airport operator and airlines together for decision making and planning purposes, the CAA heard that there were areas of service delivery where co-ordination could be significantly improved. In particular, resilience of the passenger experience could be improved by developing joint plans for key scenarios involving disruption management.

10)     The CAA's passenger survey found that passengers were generally satisfied with their through airport experience at all four airports. This satisfaction was however accompanied with a significant number of passengers stating that they had had cause to complain about air travel over the past three years and low levels of satisfaction over how industry handled complaints.[5] The CAA also considered ACI surveys that benchmark UK airports against their overseas counterparts. The ACI survey ranked UK airports [✄].[6]

11)     The passenger survey reflected the theme that passengers were less satisfied with various service pinch points going through the airport where multiple service providers were involved, notably baggage delivery. On the other hand, those passengers who did not have recourse to many service providers once at the

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[3] Additional background on the CAA's statutory remit and responsibilities towards air passengers together with its approach to consumer policy is set out in a separate paper 'The CAA's approach to consumer policy' January 2009.

[4] Since the opening of Terminal 5, joint planning between BAA and British Airways has dramatically improved on an ongoing basis. Despite the difficulties experienced at the opening of Terminal 5, the Terminal is now working well with high passenger satisfaction levels being recorded.

[5] The CAA also commissioned a comprehensive passenger survey from ORC International that interviewed 1600 passengers across Heathrow, Gatwick, Stansted and Manchester airports for their views on the through airport experience.

[6] The Airports Council International conducts passenger surveys on a quarterly basis for 121 airports internationally. Although international benchmarking is one of a number of relevant sources of evidence to assess the performance of UK airports, it should be noted that there can be some important differences between UK airports and those overseas.

airport, such as those who checked-in online, generally had higher levels of satisfaction.

*Conclusions*

12) The overall conclusion from the interviews with key industry stakeholders was that the passenger experience at Heathrow, Gatwick and Stansted was generally acceptable when the relevant airport was not subject to any disruption. This was consistent with the CAA's passenger surveys which found that passengers were generally satisfied or very satisfied with their through airport journey.

13) The CAA's meetings with the airport operator and airlines at Heathrow, Gatwick and Stansted revealed that interfaces between service providers could be improved to increase resilience to the passenger journey particularly when disruptions occurred to the through airport journey.

14) The CAA noted the initiatives already underway at UK airports to improve passenger processing and in particular technology to facilitate self-service options. These developments often require joint working between service providers and the CAA welcomes these initiatives going forward.

15) The CAA's research revealed customer dissatisfaction with complaint handling by airport operators and airlines. Together with the passenger representative body in air travel, the CAA will encourage industry to improve procedures for complaint handling.[7] Passenger representation both in local airport consultative committees and the consumer body for air travel could also be improved to put pressure on service providers to improve key areas of the through airport experience that impact most significantly on passengers.[8]

16) The CAA will continue to draw upon the available evidence to compare major UK airports against other UK airports and suitable overseas counterparts to identify those service areas that might warrant further analysis. In international benchmarks, customer service was an area where the UK airports fared relatively poorly to their counterparts overseas. The CAA proposes to share the findings with BAA and to request that it considers the implication and identify any appropriate remedial action. This was seen as a particular problem at the central search area at Heathrow.

17) The CAA found there was scope for improving key interfaces between service providers for disruption management as well as for routine operations. Developing and planning joint scenarios for times of disruption management could clarify roles and responsibilities between the airlines, airport operators, ground handlers and UK Border Agency. This could be expected to mitigate the effects of disruption on passengers, increasing the resilience of the through airport journey. Government policy could also be usefully updated to benefit passengers who are subject to delays due to night noise jet bans at Heathrow.

18) The CAA also identified scope for improving co-ordination at the following interfaces for routine operations, despite the obvious improvements in the

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[7] The passenger representative body in air travel is currently the Air Transport Users Council (AUC).
[8] For further details about the CAA's approach to working with industry on complaint handling together with the CAA's support for strengthened passenger representation in air travel see the separate paper: 'The CAA's Approach to Consumer Policy', January 2009.

passenger experience since the security issues of August 2006 and the opening of Heathrow Terminal 5:

    i)   Standards and procedures for baggage delivery;

    ii)   Improving staff rostering at central search and border control through better use of capacity forecasting information provided by the airlines;

    iii)   Standardisation of procedures affecting on time departures;

    iv)   Co-ordination between the airport operator and airlines for services provided to persons of reduced mobility.

19)    The primary responsibility for driving forward improvements in these areas rests with the airport operator, the airlines and various other service providers involved. The CAA proposes, in the short term, to act as a catalyst to joint planning for disruption management and for improving routine interfaces. Industry is supportive of this proposal. The ability of industry to achieve improved outcomes will depend on the continued willingness of airlines, airports and other suppliers to engage. The CAA agrees that its attendance at the initial industry working groups could help to ensure that processes are put in place to make improvements for joint planning. The CAA sees its involvement as a catalyst to industry taking leadership on co-ordination matters and is not proposing any longer term involvement. The CAA proposes to focus the exercise initially at Heathrow. Lessons learnt could then be translated to Gatwick and Stansted airports. The CAA proposes to report back on progress made at Heathrow in the summer.

**Introduction: the Secretary of State's request for advice on improving the through airport passenger experience**

20) In November 2007, the Secretary of State for Transport requested advice from the CAA on the scope for the through airport passenger experience. The request focused attention on pinch points where there is potential for passengers to experience delay and frustration and where the responsibility for delivering a good service lies with a combination of bodies. The Secretary of State requested the CAA's advice under section 16 of the Civil Aviation Act 1982 in the CAA's capacity as a specialist aviation adviser.

21) The CAA's general objectives towards air passengers are set out in the Civil Aviation Act 1982. Under the provisions of the 1982 Act, the CAA is required to perform its functions in a manner that will 'further the reasonable interests of users of air transport services'.[9] The CAA's specific responsibilities to ensure that the airlines and the airport operator provide a good level of service to passengers include:

- its role as an enforcer of European Commission air passenger rights legislation;
- the CAA's role as a designated enforcement body of UK consumer protection regulations; and
- the CAA's role in setting and monitoring service quality standards for airport services provided by Heathrow and Gatwick airports and as proposed for Stansted airport as part of its price control regulation of those airports.

22) These powers provide the CAA with regulatory oversight of services provided by BAA airports in the southeast and airlines operating in the UK. There may be other areas where the CAA has no formal powers such as co-ordinating service providers to provide a good level of passenger service. The CAA may decide to communicate informally with industry to encourage initiatives that can be expected to improve passenger service where it has evidence that improvements could be made to benefit passengers where CAA involvement does not infringe it's formal powers, and where CAA involvement encourages (and does not detract from) industry's own responsibility for timely improvements in service delivery.

**Methodology**

23) The following section sets out an assessment of how the key stages of the passenger experience are working at Heathrow, Gatwick, Stansted and Manchester airports. It covers the key messages that were identified across meetings with service providers checked against the findings of the CAA's passenger surveys, the CAA's assessment of industry performance data and international benchmarking information provided by the Airports Council International (ACI). Further information about the CAA's methodology including the list of stakeholders consulted can be found at Annex A.

24) The CAA wrote to the key stakeholders at Heathrow, Gatwick, Stansted and Manchester and requested an informal meeting with staff working at the senior operational level to explore the following issues:

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[9] These statutory functions do not apply to the CAA's economic regulation function, including price control and the setting of service standards.

- views of how the airport in question was delivering service to passengers;
- key interface issues between service providers;
- initiatives that industry is taking to improve interfaces between service providers and other key passenger service areas;
- structures in place at each airport to bring together service providers for joint planning purposes;

25) Once the CAA had identified common themes emerging across the meetings, it explored with parties potential remedies for improving any difficulties identified including ways of improving co-operation in existing committees, better shared information and incentives for joint planning. A summary of the key themes that arose across the CAA's meetings with industry, the passenger survey and the assessment of industry service performance can be found at Annex B.

26) Information on service performance from July 2007 to August 2008 was requested from BAA and MAG. The ACI also provided the CAA with findings of their quarterly passenger surveys across 121 airports internationally to enable the CAA to benchmark how UK airports compared with their international counterparts. Further details about which parties are responsible for the various stages of the through airport passenger experience can be found at Annex C.

27) The CAA also commissioned a passenger survey that took place in the summer 2008 at Heathrow, Gatwick, Stansted and Manchester airports. An independent market research company, ORC International, carried out a comprehensive survey on 1,600 passengers covering passenger expectations of air travel together with actual experience of all key stages of the outbound and inbound experience. The CAA also considered the provisional results of a shorter passenger survey, sponsored by DfT, that interviewed around 7,000 passengers in the first half of 2008 at Heathrow, Stansted, Manchester and Bristol airports. This survey continues on an ongoing basis.

**PART A:   KEY STAGES OF THE AIR PASSENGER EXPERIENCE**

**Passenger Expectation**

28)     Over recent years, airline business models have become increasingly differentiated with the growth of low cost carriers.  The CAA heard from no frills airlines that their objective was to ensure that passengers were processed through the airport as quickly as possible.[10]  Their passengers did not want a 'Rolls Royce' level of service but preferred to pay less for their ticket in return for a good basic level of service.  Basic levels of service for the low cost carriers included their passengers progressing through security and immigration in a timely manner and punctuality.[11]

29)     Full service carriers placed a premium on services available to business class passengers and frequently complained of their lack of ability to offer their business class passengers a superior level of service for their journey through the airport when dependent on those services provided by the airport operator and immigration.

30)     The CAA was keen to explore passenger expectations of service when they purchased an air ticket, whether these expectations were affected by the price passengers paid for their ticket, and how expectations of service compared with that delivered.

31)     The survey found that passengers expected the same level of service at the airport regardless of how much they paid for their ticket.  They generally expected a lower level of in-flight service if travelling on a budget airline.  Passengers thought that the maximum waiting times at check-in, security and immigration should be less than 20 minutes and a large proportion thought they should be less than 10 minutes (and particularly so for border control).

32)     This evidence suggests that passenger expectations do not vary significantly across low cost and full service carriers for economy class passengers, for basic passenger processing.   These stages included check-in, security and immigration.   The principal focus of airlines service quality differentiation typically takes place during the in flight experience where airlines have full control over the range of services offered.   In particular for premium passengers, full service airlines also tend to differentiate their pre-flight product, e.g. by providing lounges or premium check-in facilities.

33)     Business customers were less willing than leisure customers to wait, and expected to move through the airport more quickly.

**TRAVELLING THROUGH THE AIRPORT: PRE-DEPARTURE**

**Check-in**

34)     Check-in queues are the responsibility of the airlines and their ground handlers. The CAA heard unanimously from the airlines that the potential for passengers to switch carrier when next travelling acted as a powerful incentive on all airlines to ensure that passengers did not suffer routine delays at check-in.    If passengers

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[10] These views were heard from both Ryanair and Easyjet.
[11] For example, Ryanair's passenger service offering focuses on four key objectives: punctuality, baggage delivery, price and safety.

were not happy with their service, they had the option of not using that carrier again.

35) The CAA was interested in the length of check-in queues as it heard from airport operators that long queues can significantly impact on passenger satisfaction within the airport, and long queues frequently resulted from the airline opening check-in for a limited period of time which could create an influx of passengers into the central search area (the responsibility of the airport operator).[12]

36) The CAA's passenger survey found that check-in queues across all four airports had a mean waiting time of between 9 and ten minutes with between 11 and 13 per cent of passengers waiting for more than 21 minutes. (Refer to Annex D for details about the operational conditions at Heathrow, Gatwick, Stansted and Manchester airports over summer 2008 when the CAA's passenger survey took place). The check in process for charter passengers took longer than for other leisure passengers. The Department for Transport (DfT) passenger survey found that 92 per cent of passengers were either very satisfied or fairly satisfied with their check in experience.[13] Eighty-three per cent of these passengers queued for less than 10 minutes at check in with 6 per cent queuing for over 30 minutes.

37) Performance information provided by BAA through quality of service monitoring (QSM) from July 2007 to August 2008 showed that Terminal 5 had the shortest check-in waiting times, with Terminals 3 and 4 having the longest. In Terminal 4 over 40 per cent of passengers waited for more than ten minutes at check-in in August 2008.

38) ACI data showed that Stansted achieved the poorest ratings for check-in queues. There were also problems to do with charter carriers operating out of Gatwick airport. The check-in process for charter passengers took longer than for other leisure passengers. Charter operators continue to issue paper tickets and have not therefore offered on-line check-in or self service kiosk options. BAA expressed frustration and concern with airline check-in queue lengths, particularly for charter flights at Gatwick.[14]

39) The CAA was encouraged by recent industry initiatives to speed up check-in. Ryanair introduced self service kiosk check-in at Stansted airport in October 2008 which had significantly decreased check-in queues. [✂] Self service check-in was also open for a longer period of time prior to flights departing than manual check in desks resulting in a more even flow of passengers progressing into the central search area.

40) IATA was carrying out numerous projects on passenger self service options under the umbrella of its Fast Travel programme. The purpose of the programme was to increase the efficiency of passenger processing while at the same time

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[12] It is interesting to note that some airports overseas such as Changi (Singapore) penalise airlines for long queues by charging them for additional terminal space used. Long queues at check-in have been a particular problem with Ryanair at Stansted where queues could be up to an hour in length. Ryanair has since introduced self service kiosk check in which has significantly increased efficiency of check-in.

[13] References to the DfT passenger survey are to the list of questions DfT added to the CAA's routine survey. This survey was carried out at Heathrow, Stansted, Manchester and Bristol airports. Further information on the survey can be found at fn 3 (above).

[14] Charter carriers are far less likely to offer online check-in and self service kiosk check-in at the airport.

reducing industry costs.[15]  Self service options that have been developed beyond self service check-in include:

a) Self service bag tagging (which Air Canada has adopted at Heathrow Terminal 3);
b) Use of biometrics and passport readers for identification purposes;
c) Self service boarding including boarding passes (i.e. bar codes) being sent to mobile phones;
d) Developing processes for passengers to rebook flights and obtain boarding passes or vouchers during times of disruption management and register baggage mishandling problems.

41)  The CAA's passenger survey has shown that passengers prefer self service options – particularly online check in.  Discussions with IATA, airlines, trade associations and airport authorities have confirmed that passengers have responded well to the provision of technology to speed up the check-in process.  Industry can expect to drive forward these developments due to the increased efficiency in terms of passenger processing including reduced costs for business.

42)  Given the success of self service check-in and the strong cost cutting incentives this offers to the airlines, the CAA makes no further proposals for improving check-in procedures at the four airports but to welcome the adoption of technology to speed up passenger processing and moderate passenger flows through the airport.

43)  Using technology to increase efficiency of passenger processing often requires close co-operation across service providers to collect and share passenger information.  Industry co-operation to adopt and share self-service options to improve passenger processing should be encouraged particularly at the most capacity constrained airports in the Southeast.[16]

**Security**

44)  The airlines expressed concern over delays to passengers in the central search area at Heathrow, Gatwick and Stansted airports.  Manchester airport had recently extended the central search areas in its terminals and the airline community and the Manchester airport passenger services sub committee (of the

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[15] The Simplifying the Business project looked at ways of automating the process of getting through the airport and built this into IATA Recommended Practices.  Currently ten airlines were trialling check-in using mobile phones.  Airlines included Air France, Lufthansa, KLM as well as some US and Asian airlines.  Customers who had PC access on their mobiles could be sent a boarding pass and this would allow them to proceed through the airport and get on board the plane.  The programme also looked at bag drops in hotels, on cruise ships and in train stations.   Self tagging of bags had been used in Austria for 2-3 years and was well used in Scandinavia. Brussels Airport was trialling self-tagging. There was an IATA representative at each airport and they leveraged the big airlines at each airport.  Common use self service check-in kiosks were being used at airports and belonged to the airport and allowed passengers to check-in for any flight.  This gave the airport flexibility if carriers moved to different parts of the airport as the same equipment was available.

[16] For example, with self service kiosks at check in, the airport operator often provides the kiosk facilities for the airlines.  There is also the possibility for multiple airlines to use the same check in kiosk hence simplifying and increasing the efficiency of the check in process. Co-operation between the airlines, airport operator and border control is often key to increasing the relevance and efficiencies technology offers.

ACC) agreed that the additional lanes had significantly increased speed of passenger processing.[17]

45) The CAA also heard complaints from the airlines and the passenger services sub committees at all three London airports (and especially at Heathrow) over the treatment of passengers by staff at central search.[18]   The CAA also heard that security queues were a particular issue for transit passengers at Heathrow.

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46) The airline community expressed concerns with queue lengths at security at all three BAA airports and especially at Stansted although it was generally accepted that queues at security had improved since April 2008.  The airline community told the CAA that the key issue with security was not that there were insufficient security lanes but rather BAA did not roster sufficient staff to deal with peaks in passenger numbers passing through the airport.

47) Most of the base carriers the CAA spoke with at the BAA airports reported that they provided routine data on passenger numbers to BAA so that BAA could roster sufficient staff during peak periods.  This was not however unanimously performed by all carriers.  The CAA heard that BAA could improve the range of airlines from which this information is submitted by putting stringent procedures in place to require capacity forecasting from all the airlines.

48) The CAA heard from BAA that the only data they received directly from the airlines in order to plan staff rostering at central search was short term forward booking data to support its forecast process.  At Heathrow, BAA told the CAA that coverage was patchy. British Airways now provided BAA with updated detailed information on a daily basis for its operations at Terminal 5 but the CAA heard that two thirds of the carriers provided BAA with no information at all.  At Stansted BAA received good data from Ryanair and Easyjet which together comprised 85 per cent of the traffic.  At Gatwick, BAA had to rely on ACL schedule data that covered whole seasons and related to seats rather than seats sold. BAA told us that the only airline giving it forward booking data at Gatwick was BA, which now accounted for around 15 per cent of total traffic at Gatwick.

49) The CAA also heard from the airline community that the way that BAA measured queues did not provide an accurate reflection of how long queues could actually become.  Since a tightened target for security queue lengths was put in place from April 2008, BAA is required to measure queue length every 15 minutes throughout the operating day.  Any queue length in excess of the regulatory thresholds (five and ten minutes at Heathrow; five and 15 minutes at Gatwick) counts against the airport, and the percentage of such failures is measured each month with financial penalties incurred for failures above specified frequencies. The CAA is committed to carrying out an audit of security queue measurement, as part of its broader audit of service quality measurement and reporting at Heathrow and Gatwick.  The CAA is currently consulting airlines and airport

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[17] Passenger services sub committees form part of the Airport Consultative Committees (ACC) at Heathrow, Gatwick, Stansted and Manchester airports.  Major UK airports are required by the Civil Aviation Act 1982 to consult with airport users, local authorities and local interest groups on matters concerning the management and administration of the airport.  At Heathrow, Gatwick, Stansted and Manchester airports, consultation is carried out through the Airport Consultative Committee.

[18] The CAA heard that the number one passenger complaint routinely received by the passenger services subcommittee at Heathrow concerned treatment of passengers by staff at central search.

operators on the terms of reference for the audit which the CAA intends to commence by March 2009. This will be a good opportunity for the CAA to compare and correlate evidence on passengers' own stated perceptions of security queuing versus BAA's performance results and the reasons for any differences.

*Length of queues in the central search area*

50) The CAA assessed four key sources of available information on the time passengers waited in the central security search area at the four airports:
    i) *Service quality rebate scheme*: performance data reported under the service quality rebate scheme in operation at Heathrow and Gatwick that measures time spent from some point inside the central search area to the beginning of the roller tray before central search;
    ii) *Quality service monitor survey*: BAA at Heathrow, Gatwick and Stansted airports carry out a monthly quality service monitor (QSM) survey for their own performance monitoring purposes;
    iii) *CAA's passenger survey*: conducted by ORC International on perceived waiting times at security;
    iv) *Airports Council International*: The ACI also surveys passengers on their satisfaction with waiting times at security (rather than the actual or perceived time spent in queues).

<u>Performance under the service quality rebate scheme (actual security data)</u>

51) Under the service quality rebate scheme (SQR) operating at Heathrow and Gatwick, BAA is required to pay rebates to the airlines for failing to meet an average five minute queue time throughout the operational day and a maximum queue time of 10 minutes at Heathrow and 15 minutes at Gatwick.[19] An assessment of service performance data for security queues over the past year has shown that average maximum waiting time for security has decreased. The regulatory regime was tightened in April and there is evidence that BAA responded to this initiative by increasing resources and management focus to achieving better service performance during 2008 than in recent years.[20] Improved performance across all four airports may also be a result of decreased passenger numbers due to the recession and the additional capacity offered by the opening of Terminal 5 at Heathrow.[21]

52) At Heathrow, BAA's performance figures report the following performance standards under the service quality regime (SQR) over the period from July 2007 to August 2008[22]:

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[19] Stansted's targets for security queues, over the last 5 years were relatively informal and not reported by BAA. The CAA proposed targets for Stansted in November 2008 of a security queue length of less than 10 minutes on 95 per cent of time and less than or equal to 15 minutes on 98 per cent of time for a month measured over periods during the day to be agreed by the airport and airline operators committee. .

[20] From 1 April 2008 security queuing targets were changed so that rebates are paid if passengers have to queue for longer than 5 minutes on 95 percent of the occasions the queues are checked. Previously the target was that passengers should queue for no more than 10 minutes for 95 per cent of the time. There are additional targets of queues no longer than 10 minutes on at least 99 per cent of occasions checked at Heathrow and no longer than 15 minutes on 99 per cent of occasions at Gatwick.

[21] Further information about the effect of the recession on passenger numbers can be found at paragraphs 138 to 140.

[22] Note: BAA's targets for security queue times changed from 1 April 2008 (refer fn 10).

a) Terminal 1: consistently met;
b) Terminal 2: met except during December 2007;
c) Terminal 3: met except June 2007;
d) Terminal 4: consistently met;
e) Terminal 5: met except for during April 2008.

53) At Gatwick, BAA's figures show that it met the SQR targets except for the following months over the period between July 2007 to August 2008.
a) North Terminal: July 2007, August 2007, September 2007;
b) South Terminal: July 2007, August 2007, September 2007, May 2008.

Service quality monitoring data (perceived waiting times)

54) In addition to measuring queue times at central search, BAA also included questions in its QSM survey, asking passengers how long they waited. An analysis of surveys conducted by BAA on how long passengers thought they waited in security queues showed significantly longer waiting periods than performance data reported by BAA under the SQR regime. This may be because passengers recall that their security queuing was longer than it actually was or it may be due to a difference in measurement.[23]    Figure 3 below shows the difference in the times passengers said that they waited at central search compared with the time BAA reported passengers waited at Gatwick airport from Aug 2007 to May 2008.

*Figure 3: Gatwick airport: actual versus perceived waiting times at central search* [✂]

55) Data provided by BAA from its service quality monitoring survey, over the period from August 2007 to May 2008, showed that queues at Gatwick [✂]. Security queues at Heathrow over the same period [✂]. Queues at Stansted [✂]. These trends are illustrated in figures 4 to 6 below. Manchester airport did not carry out QSM surveys on waiting times at security.

*Figure 4: Security waiting times October 2007 at Heathrow, Gatwick and Stansted (daily maximums)* [✂]

*Figure 5: Security waiting times February 2008 at Heathrow, Gatwick and Stansted (daily maximums)* [✂]

*Figure 6: Security waiting times May 2008 at Heathrow, Gatwick and Stansted (daily maximums)* [✂]

56) Figure 7 below shows the percentage of time passengers considered they queued for more than 10 minutes at the BAA airports and in particular, the distinct decrease in the length of queues since August 2007 to May 2008. [✂]. The forthcoming audit of security queue measurement will be a good opportunity for the CAA to compare and correlate evidence on passengers' own stated perceptions of security queuing versus BAA's performance results and the reasons for any differences.

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[23] Under the SQR scheme, BAA measures queue times from the point at which the passenger joins the queue for the security process until the time that passenger reaches the X-ray roller bed from which point it is determined that the process has started whereas passengers can be expected to state time taken in full to pass thorough and complete security search.

*CAA and DfT passenger surveys*

57) The CAA's passenger survey found that 74 per cent of passengers considered that they waited at security no longer than 10 minutes.[24]  Four per cent of passengers thought that they had queued for between 21-30 minutes and a small percentage considered that they had waited for longer than 30 minutes.  DfT's passenger survey found that 87 per cent of passengers were satisfied with experience of security screening with 90 per cent of passengers queuing for less than 10 minutes.  These figures suggest that passengers were more satisfied with the time taken to pass through security than the time spent in check-in.

ACI performance data on security queues

58) The ACI also surveyed passengers on their satisfaction with waiting times at security. [✂].

*Figure 8: Satisfaction with waiting times (source: ACI)* [✂]

*Customer service and staff attitudes at central search*

59) One of the issues that was raised with CAA during meetings with the airlines and passenger services subcommittees, particularly at Heathrow, is concern over the treatment of passengers by security staff.  The CAA's survey showed that availability of staff and helpfulness of staff during travel through the airports rated relatively poorly with only 59 percent of passengers being satisfied.

60) In terms of staff training and encouragement in delivering customer service, MAG had programmes in place, notably the Customer First initiative to incentivise staff to improve customer service.  Through established initiatives such as the Customer First programme, MAG demonstrated that it had focused on customer service issues over a longer period of time than BAA's London airports.[25]

*Further action*

61) There was general agreement across the airline community and BAA that capacity forecasting could be improved at all three BAA airports which could be achieved by BAA putting in place more stringent conditions for requiring this information from the airlines.  A third party could be used to help secure co-operation by BAA and the airline community.

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[24] The CAA hard from industry that the operational environment of UK airports was particularly good over the time the CAA's passenger survey was conducted in summer 2008 and that this was particularly the case for Heathrow airport.  Refer to Annex D for further details of the operating context for UK airports over summer 2008.

[25] [✂] Projects that MAG has established to incentivise staff to improve customer service include the Customer First project whereby staff are encouraged to identify problems, solutions and manage small change projects.  The project approval process is simple and quick and staff are financially rewarded for service improvements as well as being provided with training, where required.

62) The CAA is already committed to carrying out in spring 2009 an audit at Heathrow and Gatwick of how airport service performance is measured and reported through the SQR. One of the areas the audit will examine is the reasons correlation between passengers' stated views on service quality and BAA's own direct measurement of relevant service metrics.

63) Helpfulness and customer service attitudes of staff rated relatively poorly in the CAA's passenger survey [✂]. The CAA heard from BAA that its influence in driving through the importance of this issue within BAA management would be beneficial. The CAA could encourage BAA to consider establishing plans as to how it intends to achieve this and to share these with the CAA. In addition, the CAA could continue to draw upon available evidence such as the QSM performance data supplied by ACI to compare airports' performance with suitable national and international comparators. Passenger service subcommittees at the BAA airports could also be encouraged to prioritise customer service issues when lobbying BAA on key areas for improving passenger experience. This could be performed by the CAA and going forward, a central consumer body in air travel.[26]

**Overall pre-departure**

64) Other key issues raised for the overall pre-departure experience across industry meetings, passenger surveys were:
    i) Flight information in the airport;
    ii) Overall helpfulness and customer service attitudes of staff;
    iii) Amount of seating available airside;

65) The CAA's passenger survey found that the two key drivers for satisfaction with the departure experience was time taken to get through the airport (i.e. how easy it is to get to the next stage – expectations of what the next stage will involve) and information on flight times and departure gates. These areas were shown to be performing well. The area that was not performing so well was flights leaving on time – particularly at Heathrow including frequent on tarmac delays.[27] The CAA's parallel section 16 project on Heathrow runway resilience has been submitted to DfT. The project analysed the current delay performance of the airport, the root causes, and makes some suggestions as to measures to improve resilience.

66) Figure 9 shows levels of satisfaction with key stages of the airport pre departure experience for Heathrow, Gatwick, Stansted and Manchester airports. The areas that were rated the lowest by all passengers were:

- Availability and helpfulness of staff
- Amount of seating available

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[26] The Air Transport Users Council (AUC) is currently the passenger representation and advocacy body for air travel. The AUC's resources are however focused on passenger service provided by the airlines rather than airport operators.
[27] The CAA has recently carried out a review of runway resilience at Heathrow and Gatwick as part of the CAA's section 16 advice to the Secretary of State on improving the air passenger experience. The CAA submitted its draft report to DfT in October 2008.
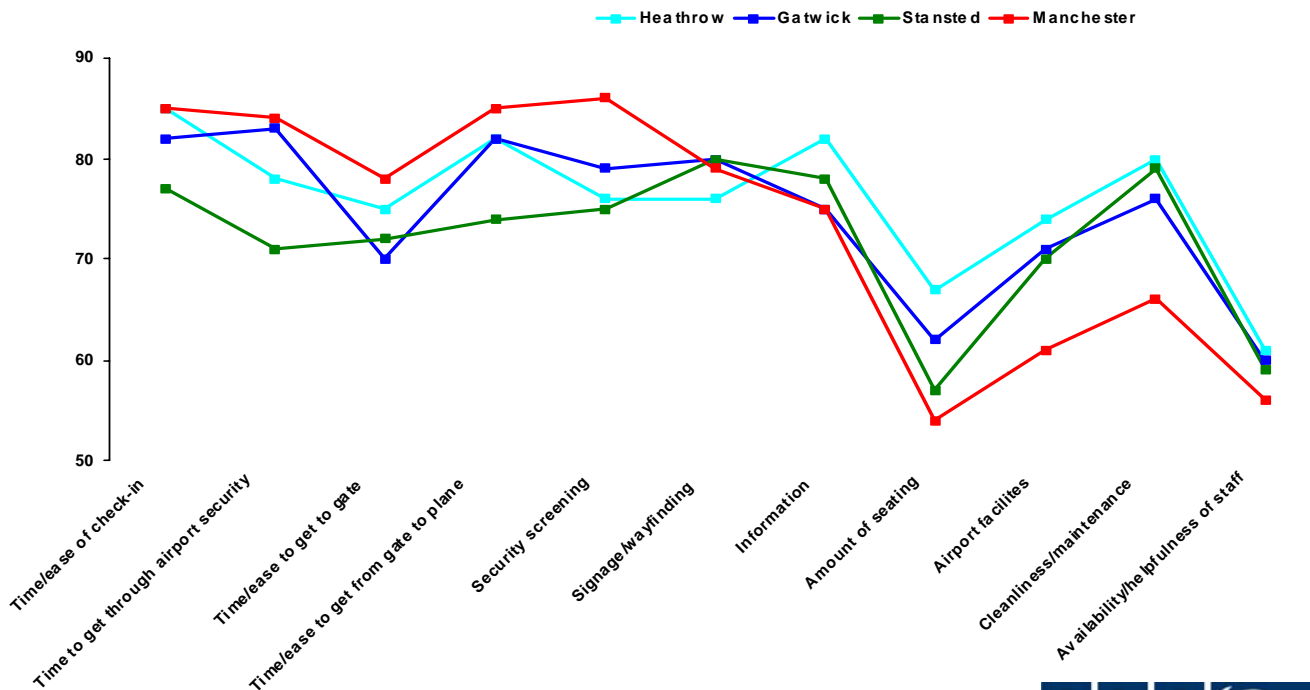
*Figure 9: Satisfaction with pre-departure experience*

67)   Business passengers were less satisfied than leisure customers with many aspects of their experience including:

- Security screening process;
- Amount of seating available;
- Availability of staff;
- Punctuality (especially at Heathrow)

68)   A recent study carried out by London First contained a survey of business class passengers using Heathrow and noted concerns about service levels in relation to waiting times, overcrowding and terminal appearance and comfort.  In addition, the survey suggested that it was the lack of service quality that was having a significant impact on the perception and branding of London and the UK.[28]  This concurs with the findings of the ACI data that suggests customer service is an area where UK airports score poorly against their counterparts overseas and which is a key driver for improving UK airport benchmarking scores.

69)   Discussions the CAA had with industry highlighted that accuracy of flight information could be improved upon at the London airports. Flight information is usually placed on automatic update which can be inaccurate – particularly for passengers waiting at the gate (Stansted).  Issues can also arise between the airlines and their ground handlers, where the handling agent is not kept fully up to date with flight delays and is unable to pass on timely information to passengers.  Likewise, disconnects can arise between information provided by the airlines on flight delays and the airport operator updating this information.   The CAA heard from industry that procedures could be improved between the information the

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[28] Imagine a World Class Heathrow, London First, June 2008.

airlines provide to the airport operator and the time taken by the airport operator to change the flight information provided publicly to passengers on information boards.

70) The CAA's passenger survey found that 77 per cent of passengers were very satisfied or fairly satisfied with flight information provided at the airport. The DfT passenger survey found however that 87 per cent of passengers were either very or fairly satisfied with their flight information provided at the airport. One of the issues highlighted in the disruption that took place at the opening of Terminal 5 was the accuracy and timeliness of flight information when flights were delayed or cancelled.

71) It appears that generally, flight information provided at the airport works very well but there may be improvements to be made when flights are delayed or cancelled including during times of disruption management based on discussions with the parties involved and lessons learnt from the opening of Terminal 5. The CAA could encourage industry to explore options for improving procedures for the timeliness of providing flight information to passengers at service quality working groups.

## Punctuality

72) Punctuality was an important factor in passenger satisfaction. Those flying from Stansted were less likely to experience a delay as were those flying on no frills airlines.[29] Passengers generally found out about a flight delay while waiting for a boarding announcement or while on the plane. Delays ranged from under 30 minutes to a small percentage who were delayed for more than 12 hours.

73) The base carriers (and BA in particular) at Heathrow have identified punctuality as being the key factor that has the most significant impact on the passenger experience. The CAA has carried out work on runway resilience to improve punctuality.[30]

*Further action*

74) Discussions with industry have suggested that there is scope for improving punctuality through standardising airline procedures – not all punctuality issues are caused by Air Traffic Control and capacity issues. The CAA heard from BAA that delays could be significantly reduced through airlines standardising and adhering to procedures and it is interesting to note that BA has recently put in place a stringent policy that passengers need to arrive at security at least 35 minutes prior to departure.[31] Since BA adopted this policy at Heathrow Terminal 5, its punctuality has increased significantly.

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[29] Stansted airport is predominantly served by low cost carriers. A strong correlation can therefore be expected between Stansted airport and low cost carriers on baggage delivery.
[30] Refer fn 27 for a description of the work CAA has underway on runway resilience at Heathrow and Gatwick airports.
[31] A Eurocontrol report shows that up to 50 per cent of delays are caused by problems with airline procedures and in particular, the lack of standard procedures across airlines operating at Heathrow. Refer 'PRR 2007: An Assessment of Air Traffic Management in Europe during the Calendar Year 2007' Performance Review Commission, Eurocontrol.

75)    The CAA makes proposals (refer paragraph 63 above) for encouraging BAA to consider ways of improving customer service.

## TRAVELLING THROUGH THE AIRPORT: ARRIVALS

### Immigration

76)    The CAA heard that staff rostering was the key issue in remedying long passenger queues at immigration.   The CAA heard from the airlines and passenger service committee that queues at immigration were of particular concern at Stansted airport.[32]   Refer to Annex E for correspondence between Ryanair and the Home Office expressing Ryanair's concerns over staff rostering by Border Control.

77)    BAA at Stansted told the CAA that it had given UK Border Agency (UK BA) technology that displayed real time flight information including delays with passenger numbers on the flights to enable UK BA to better plan for peak periods.  These peak periods frequently occurred late in the evening at Stansted when the last remaining flights could be subject to delays, culminating from flight delays during the day.

78)    UK BA has historically worked with a 45 minute maximum queue standard that BAA and the airline community considered to be unacceptable.  BAA and the airlines had not originally been included in the decision to set this standard.  The airlines expressed their discontent with the 45 minute standard as their baggage delivery targets were significantly below this.

79)    In November 2008 when the CAA spoke with UK BA at Heathrow, the UK BA had a particular focus underway on passenger service issues.  UK BA told the CAA that interface issues between UK BA and BAA included lack of clarity on responsibility for passenger greeters and information providers just before passenger arrive at immigration. Manchester Airport Group employed passenger greeters and the CAA heard that airport greeters were widely used at airports internationally.   Airport greeters are considered to provide a very good first impression of service quality as people arrive at the airport.[33]  UK BA thought that passenger greeters, provided by BAA, would relieve the strain on their officers from being asked questions on way finding and general information to focus on their primary objective – securing the border.   UK BA also expected that passenger greeters would improve passenger perception of customer service immediately after arriving at the airport.

80)    UK BA's drive to improve passenger service also included initiatives to improve [✂] closer working with BAA and improved communications to passengers.  [✂]

81)    As part of UK BA's drive to improve passenger service, it was in the process of agreeing revised service level agreements with the main UK airports with the objective of shortening queue lengths at border control.  For example, the CAA heard that the revised target time for maximum queues at border control, Heathrow, was likely to be agreed at 25 minutes.

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[32] Ryanair and Easyjet were very vocal on this issue.  Ryanair showed the CAA a chain of correspondence between itself and the Home Office over its concerns with very long queues at immigration.

[33] Airport greeters provide a distinct and different role from staff employed by the airlines to present passengers at immigration.

82) UK BA at Heathrow was receptive to being included in discussions with BAA and the airlines on initiatives to improve passenger service including co-operation to improve capacity forecasting for passenger numbers travelling through the airport, seeking clarity of the role of border control staff versus airport greeters and airport training initiatives to improve customer service.

*CAA passenger survey data on queues and customer service at border control*

83) The CAA's passenger survey showed that ninety per cent of passengers waited for less than 20 minutes at immigration, with eight per cent waiting for more than 20 minutes. The survey showed that immigration queues at Stansted were worse than at the other airports.

84) Figure 16 (below) however shows that passengers' satisfaction with their experience at immigration rated relatively poorly and this was particularly the case at Gatwick airport with satisfaction levels below 60 per cent. Less than 70 per cent of passengers using Heathrow, Gatwick and Stansted airports were satisfied with the experience at immigration, with Manchester airport performing the best in this area.

*ACI performance data at border control*

85) [✄] The CAA heard from industry that the problem with immigration at Stansted is less about capacity for lanes but rather a staff rostering issue. UK BA was introducing face recognition, biometric passenger processing at Stansted in December which is expected to improve passenger processing in the short to medium term.

Arrivals passport and visa inspection (ACI data)

**Figure 11: Arrivals and passport inspection (source: ACI[34])** [✄]

*Further action*

86) Over time, it can be expected that advances in biometrics will enable more efficient passenger self service options at immigration. Stansted is currently trialling new technology that is designed to overcome issues of staff rostering at immigration. This option will be available to passengers with newer bar-coded passports.

87) The DfT's continued focus on passenger experience is also key to influencing the Home Office to continue improving the passenger service at border control beyond its principal objective of securing the border. The CAA proposes that Border Control is invited to service quality working groups at Heathrow to discuss procedures that might be put in place to improve staff rostering. At Heathrow, the CAA heard that staff rostering at both central search and immigration could be improved by sharing resources across terminals when service at one terminal is placed under stress. The CAA also noted the positive effect on passenger experience of the airport operator at Manchester providing passenger greeters and information before immigration to improve customer service and enable officers at border control to focus solely on immigration matters.

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[34] [✄]

**Baggage Reclaim**

88) The CAA's passenger research had found that baggage reclaim was overwhelmingly the poorest performing area of the passenger experience at all four airports. One of the main concerns voiced by BAA at Heathrow and Gatwick was also baggage reclaim. Baggage reclaim is the joint responsibility of the airport operator and the airlines. The airport operator provides the facilities (such as baggage carousel) and the airlines typically employ ground handlers to unload bags and deliver them to the baggage carousel.

89) The CAA heard that BAA found it difficult to influence airlines to improve baggage reclaim and that there were cases where the airlines could significantly improve baggage reclaim performance by rostering on more staff. BAA told the CAA that some airlines were not willing to pay for additional staff to improve their performance in this area and expressed concerns that the airlines had significantly more incentive to place resources into improving the pre-departure passenger experience (where punctuality was a major factor driving passenger processing) than the arrivals experience.

90) BAA welcomed the CAA's proposal to attend discussions between itself and the airlines and acting as a catalyst to their agreement of targets and best practice for baggage delivery performance. The CAA also visited the IATA project team looking at improving baggage performance. The base carriers at Heathrow and Gatwick (but not Stansted) are IATA members and could benefit from IATA's standards and expertise in this area.[35]

91) The CAA's passenger survey found that seventy five per cent of passengers had to wait less than 20 minutes for their luggage. Sixteen per cent waited between 21-45 minutes and four per cent waited for more than 45 minutes with two per cent of passengers failing to receive their bags. Passengers at Stansted or those flying with a no frills airline were most likely to receive their bags in less than 20 minutes. [✂]. More passengers travelling through Heathrow said that baggage reclaim was what they liked least about the airport (10 per cent as compared with seven per cent at other airports).

*ACI performance information on baggage delivery*

92) [✂].

*Assessment of industry performance data for baggage delivery*

93) The CAA asked BAA for its baggage performance statistics (from July 2007 to August 2008). [✂]

94) Performance data was assessed in terms of:
- the month the flight was taken,
- the hour of the arrival of the flight,
- number of flights arriving at that time and;
- the airport terminal where the flight ended its journey.

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[35] IATA's baggage improvement team visit airports internationally to carry out an 'airport diagnosis'. The diagnosis involves IATA staff spending a week monitoring baggage delivery and making proposals for improvement.

95)    [✂]  The following figures (figures 12 to 14) show an assessment of the time taken for last bag to be delivered at Heathrow, Gatwick and Stansted airports, using best available information collected by BAA.  No information was provided by MAG.

*Figure 12: Gatwick - Average time for baggage delivery by month of flight* [✂]

*Figure 13: Heathrow T1 & 2 - average time for baggage delivery by month of flight* [✂]

*Figure 14: Heathrow T3 & T4 – average time for baggage delivery by month of flight* [✂]

96)    [✂]

*Figure 15: Stansted: Baggage delivery by month of flight* [✂]

*Further action*

97)    Baggage delivery requires services delivered by both the airport operator (facilities) and the airlines' ground handlers.  Given the range of service providers involved baggage delivery falls outside the SQR regime and inconsistencies with baggage data shows that it is not as closely monitored as required.  Discussions with industry had highlighted a lack of incentive from both the airlines' and airport operators' perspectives to improve baggage handling.

98)    BAA found it difficult to influence the airlines to improve their performance on baggage delivery and voiced concerns over the lack of incentive airlines have to improve baggage delivery as compared with the pre-departure experience (where punctuality is a major airline concern).  BAA agreed that procedures could be developed to improve baggage delivery standards and BAA also agreed that their own records of baggage delivery reports should be improved.

99)    BAA welcomed the CAA initially attending working groups and acting as a catalyst to develop procedures for baggage performance that could be used to influence the airlines to improve performance.  The CAA proposes to withdraw from the working groups when discussions between the airport operator and the airlines have been put in train.

**Overall arrivals**

100)   Figure 16 below shows that the overall arrivals experience had worse satisfaction ratings than departures.  This suggests that the arrivals part of the passenger experience is the key area of the through airport journey that needs addressing.  The survey suggested that baggage reclaim was the least satisfactory stages of the arrivals process  [✂].
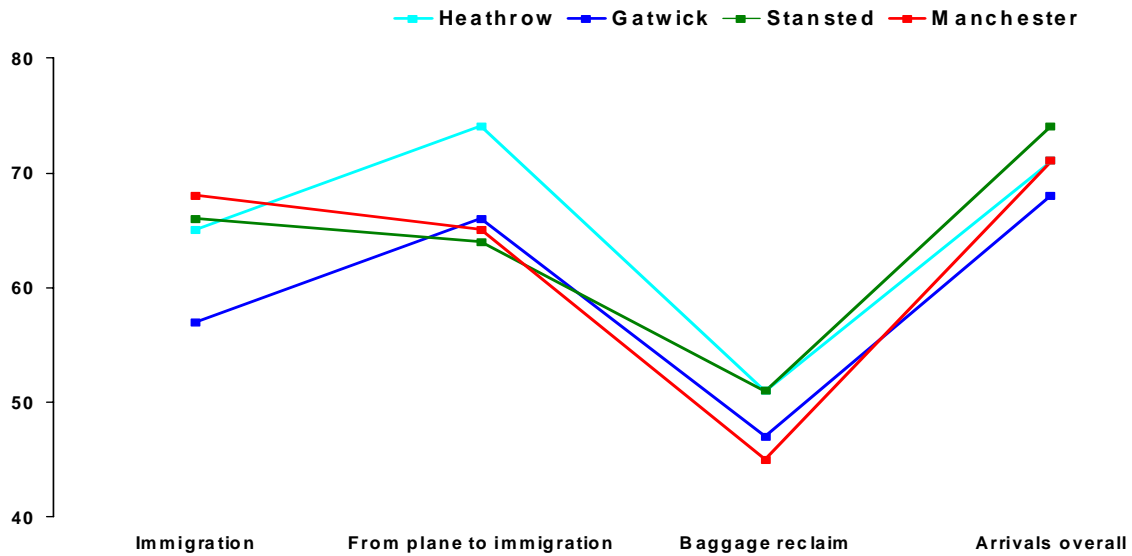
**% satisfied**

Legend: Heathrow — Gatwick — Stansted — Manchester

Chart axis categories: Immigration, From plane to immigration, Baggage reclaim, Arrivals overall

*Figure 16: Satisfaction with arrivals experience at Heathrow, Gatwick, Stansted and Manchester airports (source: ORC International)*

### COMPLAINT HANDLING

101) It is interesting to note that discussions with BAA have raised the difficulty of picking up disruption management issues in surveys i.e. surveying passengers when difficulties occur to the journey as frequently passengers are merely unable to pass through the airport during times of disruption. Complaints are therefore an important source of identifying the potential for difficulties to arise in the passenger experience. ORC International is of the view that the level of complaints received in air travel exceed those received in other sectors of the UK economy. An survey commissioned by the Department for Business, Enterprise and Regulatory Reform on consumer perceptions of different product markets found that complaints in air travel/ plane flights fell into the average to higher level of total complaints received when compared with other sectors in the UK economy.[36]

102) In the last three years, 23 per cent of passengers had experienced a problem in the airport, 14 per cent on their flight and five per cent with buying an air ticket.[37] Around half of passengers who experienced a problem made a complaint and

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[36] See 'Report for BERR on the 2008 Consumer Conditions Survey', Ipsos Mori, June 2008. Air travel/ flights fell into the higher end of the 'average' category for the level of complaints received in that sector compared with those received in others. Air travel compared favourably with complaints received in telecoms and gas and electricity markets and less well compared with private pensions, used cars and car insurance. The survey did not assess the seriousness or significance of the complaint. The CAA's survey showed that when passengers did have cause to complain about service provided at the airport, a high percentage (72 per cent) classified their complaint as being either 'very serious' (32 per cent) or 'fairly serious' (40 per cent).

[37] Note: problems experienced at the airport are not necessarily with services provided by the airport operator.

saw their complaint as being very or fairly serious. Complaints were generally made to the airline. A substantial proportion of passengers were dissatisfied with the way their problem was handled with 40 per cent who complained to the airport being 'very dissatisfied' and 38 per cent who complained to the airline being 'very dissatisfied'. The majority of problems were experienced with full service airlines.

103) No passengers had complained to the AUC and less than a quarter of passengers had heard of the AUC, suggesting that the AUC's profile was very low.

*Further action*

104) The CAA is developing its expertise to enforce the consumer protection regulations that fall within Part 8 Enterprise Act powers using civil proceedings.[38] This will provide the CAA with a greater regulatory mandate over all service providers in the passenger experience when service performance falls short of the relevant UK and EC consumer legislation including the airport operator, the airlines and ground handlers. It will also provide the CAA with increased power to work proactively with airlines and airport operators to improve complaint handling for both general complaints and those relating to EC air passenger rights.

105) BAA is currently working to improve the way in which it deals with passenger feedback, including complaints and in particular how complaints are escalated when there is disagreement between an airline and BAA as to who is responsible for dealing with the complaint. The CAA is also proposing work with the passenger representative body in air travel to encourage the airlines to have satisfactory policies and procedures in place to respond to passenger complaints. The passenger representation body and the CAA will work informally with industry on their complaint handling procedures and in the event of persistent poor service levels in service areas covered by relevant consumer legislation, CAA has formal regulatory powers in denied boarding and cancellation, services provided to persons of reduced mobility and airline pricing practices.[39]

106) The CAA is also proposing the need to strengthen the role of a consumer body in aviation (currently performed by the AUC) and strengthen passenger representation vis à vis services provided by UK airports.

107) The CAA has spoken with Airport Consultative Committees at the four airports about the role of the passenger service sub committees.[40] The CAA has also spoken with BAA about the potential to make better use of these committees to identify key areas of service delivery that can be improved at the airport. Currently, the groups only consider services provided by BAA. These groups could be used more effectively to monitor performance and conduct audits and spot checks of the airport and feed in views to joint service delivery committees rather than solely to BAA. They could also usefully work more closely with the

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[38] The EC regulation on denied boarding and cancellation also falls under the remit of Enterprise Act 2002 giving the CAA the ability to enforce DBC through civil sanctions rather than using criminal proceedings and sanctions.

[39] Refer to the separate paper 'The CAA's approach to consumer policy.' January 2009.

[40] The Airport Consultative Committees in this context are those committees comprising the airport, group of wider local authority stakeholders and passenger services sub committees. Airport operators are statutorily required to establish consultative committees.

passenger representative body in air travel which could escalate issues at an airport or passenger issues at one or more UK airports.

108) Making better use of passenger feedback and representation is discussed further in the paper entitled 'The CAA's approach to consumer policy.'

**PART B:       AIRPORT COMPARISON AND INTERNATIONAL BENCHMARKING**

109) Figure 17 shows how the four airports compared on service quality based on the CAA's passenger survey.  Manchester did well on process but underperformed on airport facilities.  MAG had however informed the CAA that it is undergoing significant refurbishment which can be expected to lower its ratings on facilities.

110) Stansted fared poorly on process but well on way finding and cleanliness and getting onto the plane.  It did less well on immigration but performed best on baggage reclaim.

111) Heathrow performed better on airport facilities including seating but less well on baggage delivery.

112) Gatwick performed better on security processing, and less well on seating. Service performance information over the past year however indicated the potential for long queues at security at Gatwick together with a poor record for baggage delivery.
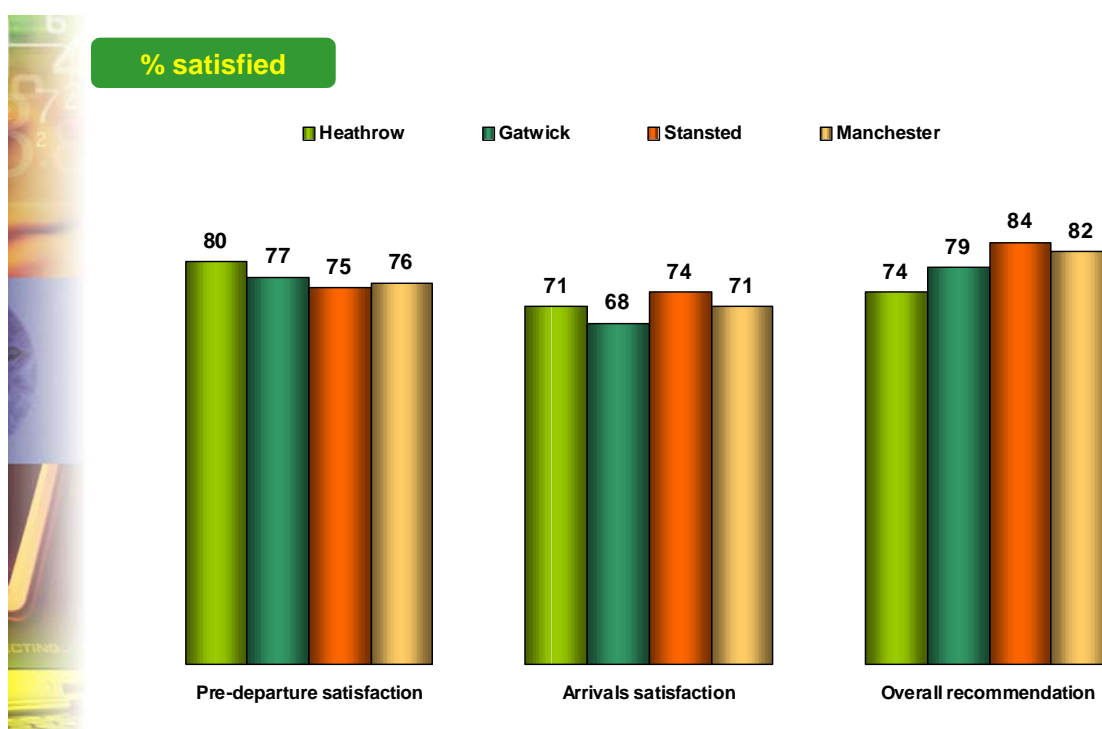


*Figure 17: Airport comparison on the arrivals and pre-departure experience (source: ORC International)*

113) The ACI Survey benchmarks airports globally and in Q3 2008 Heathrow was ranked number [✂].  The ACI data shows the significance of benchmarking to gain an insight into the international competitiveness of Heathrow in particular.

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Industry has informed the CAA that Schiphol (Amsterdam) provides the best comparison for Heathrow due to its hub nature and competition for transfer passengers.[41] [✄].

114) The current rankings for the four airports in Q3 are (out of a total of 121 airports internationally):

[✄]

115) Industry has also told the CAA about the vast discrepancies in service delivery across Heathrow's five terminals – indeed Heathrow is often described as five airports in one. [✄].

116) Key drivers in the CAA's passenger survey, carried out by ORC International, found that processing issues were most important to passengers followed by courtesy and helpfulness of staff and then shops and restaurants.

117) An assessment where the ACI's top ten ranked airports do well however, lists courtesy and helpfulness of check-in staff highly, followed by courtesy and helpfulness of airport staff, then cleanliness issues, followed by passenger processing issues (refer Annex G). The ACI survey information places far greater weight on staff attitude as a driver for satisfaction than the CAA's passenger survey. As this is an area where London airports fared poorly in the ORC survey, the ACI survey indicates that this is a key area where London airports should invest resources to improve performance if they want to be internationally competitive. This would fit with what we know about overseas best performing airports such as Changi where a lot of training and staff intensive resources are invested in customer care and helpfulness.[42]

## PART C: JOINT PLANNING FOR DISRUPTION MANAGEMENT

118) Meetings with industry revealed that the airport operator and airlines generally had good internal procedures in place for service recovery. However, there were no truly joint disruption management plans for Heathrow, Gatwick and Stansted airports.

119) The airlines and BAA considered that there was scope for joint scenario planning which could have a tangible impact on mitigating passenger detriment during times of disruption management. The airlines particularly felt there was scope for improving disruption management for taking early action in the event of adverse weather warnings (one allegation provided was BAA failing to prepare for poor weather conditions even when urged to do so in reaction to specific events by the airlines). The CAA heard that joint plans were put in place on an ad hoc basis after the event rather than being prepared before the event took place. Although each scenario was different, there was general agreement that a set of generic scenarios could be developed to cover the majority of incidents.

120) The CAA heard from the airlines that organisation for passenger care during disruption management were fragmented and unclear. The airlines were responsible for passenger care and assistance under the EC regulation on

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[41] [✄]
[42] It should be noted that Changi airport is owned and controlled by the Singapore Civil Aviation Authority and so has different incentives and pressures than a commercially managed and run airport.

denied boarding and cancellation. There were however problems with providing passengers with hot drinks and food when many passengers are stranded in a terminal – BAA had plans to provide refreshments, as do the airlines. The airlines found it difficult to pick out their own passengers to who they can offer refreshments – and there appeared to be much scope for a co-ordinated effort between the airlines and BAA to ensure all passengers receive care.[43]

121) Technically, BAA had no responsibility towards delayed passengers even when delays and disruption may well be caused by technical failures that are the fault of BAA (e.g. baggage carousel failures at check-in experienced over the summer at Heathrow Terminal 3). Situations were frequently frustrated by passengers misunderstanding their rights. This was confirmed by the CAA's passenger survey that found that only half of passengers were aware of their rights in the event of denied boarding and cancellation (and still fewer could be expected to understand what these rights entailed).

122) The CAA heard that the airline community could improve the way in which it co-ordinated disruption management across airlines. The AOC (Airlines Operating Committee) at Heathrow had recently agreed a flight cancellation plan with the airlines specifying which airlines would cancel flights to free up capacity. The CAA also heard that communications and procedures between airlines could be improved for re-routing passengers onto different airline's flights during disruption management.[44]

123) The airlines complained about poor planning between service providers when extreme weather was forecast. Particular concern was expressed about the time taken to take action to mitigate disruption. In other circumstances, the airlines told the CAA that the BAA terminal duty managers at Heathrow asked the airlines what to do when many passengers were stranded at the airport due to poor weather bringing into question BAA's own internal policies and procedures and staff training for disruption management.

124) The CAA also heard from the AOC at Heathrow that inconsistencies in government policy impacted on the passenger experience during times of disruption management. One example was the definition of hardship during night noise jet bans (i.e. after the 11pm curfew). When flights are not able to take off as they are deemed to take off too close (or after) the 11pm night flight ban, the CAA heard from the airlines that passengers could be held airside until the

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[43] When flights are delayed or cancelled, under the EC Regulation on denied boarding and cancellation, the airlines are responsible for providing meals, refreshments, hotels and in some cases financial compensation even when the delay occurred, or a flight was cancelled, by the fault of the airport operator. Many airlines provide passengers with vouchers to exchange for meals and refreshments from airport retail outlets. Problems can be experienced when these outlets are closed or in the event where many passengers are delayed at the airport and long queues form. There are also issues such as those concerning security and crowd control for which the airport operator should take responsibility. In reality however, UK airport operators typically provide tents and hot drinks to passengers delayed on mass as well as some care where no hotel rooms are available. There is therefore lack of clarity on an operational level as to what the airport operator can most practically do and whet the airlines are legally responsible for when many passengers are delayed at an airport.
[44] IATA has developed plans for interlining passengers across carriers when delays occur (such as plans in place in the various airline alliances). There is currently co evidence of interlining plans in place across non-IATA members but it should be noted that low cost carriers typically fly to secondary airports, served by few airlines, and EasyJet and Ryanair compete on few routes.

following morning. Industry was directed to provide passenger care in these circumstances governed by a policy of the definition of hardship which has lower levels of obligations to passengers than the regulation on denied boarding and cancellation.[45]

125) Initial generic scenarios could be developed to provide industry with a understanding of government policy and legal obligations facing industry under times of disruption management. Industry could develop these with an agreed response, early warnings and planning for disruption in the following illustrative scenarios:

    a) Failure of baggage carousels (check in and arrivals);
    b) Failure of transport links between terminals (affecting baggage, affecting passenger connectivity);
    c) Poor weather;
    d) Security incident in the terminal (short of a major terrorist incident);
    e) Runway incident – loss of one or more runways;
    f) Problems with ATC causing delays;
    g) Airline technology failure e.g. self service check in;
    h) Border incident affecting immigration;
    i) Failure of key immigration technology (e.g. reading passports, biometric face recognition system at Stansted);
    j) Severe staff shortage at security/ immigration (sickness, surface access);
    k) Sudden change of security threat assessment (impacting on security queues and airside staff clearances);
    l) Severe flight delays from a connecting airport;
    m) Chronic delays affecting transit passengers.

126) The CAA also heard from industry that generic plans should be put in place on an airport wide basis i.e. pulling resources out of one terminal and into another as required which could affect airlines, ground handlers, BAA staff and immigration. Currently, the airports tend to be run on a terminal silo basis.

*Further action*

127) Industry should be encouraged to develop joint disruption management plans at Heathrow, Gatwick and Stansted airports. The airport operator should take the lead on this issue. The CAA heard from industry that joint planning was difficult to drive through. The CAA could act as a catalyst to industry taking forward this role.

**PART D: STRUCTURES IN PLACE TO CO-ORDINATE SERVICE PROVIDERS**

128) The CAA reviewed structures in place at Heathrow, Gatwick and Stansted that bring together service providers for joint planning purposes. These structures were different at each airport.

129) At Heathrow, industry plans to continue the Service Quality Working Group. This working group was established for the process of constructive engagement during the quinquennial review of airport charges. BAA is currently revising the terms of reference for the working group now that negotiations have completed under the price cap and SQR scheme. Going forward, it is proposed that the

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[45] This definition of hardship is in contrast to passengers' right to care and assistance under the EC regulation on denied boarding and cancellation.

group meet on a bi-monthly basis. The proposed terms of reference for the committee can be found at Annex I. Committee members are supportive of the CAA attending from time to time to work on scenario planning for disruption management and routine interface issues for service provision. The CAA considers that this would offer an effective informal approach to improving interface issues at the airport.

130) The CAA has support from stakeholders at Gatwick to work in a similar capacity. The CAA would need to explore with Gatwick whether there is an appropriate forum in which this work could take place. At Gatwick, the CAA has met with the Airports Operating Committee (AOC), EasyJet, BA, Virgin and BAA. Following discussions with industry stakeholders at Gatwick, the CAA remains unclear that Gatwick has an appropriate existing forum in which to address these co-ordination issues.[46]

131) The CAA has support from Stansted stakeholders to work in a similar capacity including BAA, Ryanair and Easyjet. Following discussions with industry, it appears that the best committee to do this work is the Airport Liaison Group, a sub group of the ACC.[47] Following the Competition Commission's review of the Stansted quinquennial review, a service quality regime will be put in place at Stansted. It therefore appears to be sensible to wait until these negotiations have completed until further work is undertaken at Stansted.

132) The CAA has industry support for attending service quality working groups at Heathrow, Gatwick and Stansted airports. Due to limited resources, it would be practical for the CAA to initially focus resources at Heathrow given the size of the airport and the expression across industry stakeholders for the need to improve passenger experience. [48]

**PART E: FACTORS AFFECTING THE PASSENGER EXPERIENCE OVER THE NEXT FEW YEARS**

133) Factors affecting the passenger experience over the next five years at Heathrow, Gatwick, Stansted and Manchester airports include:
- The reduction in capacity at Heathrow over 2009-2011 during the demolition of Terminal 2 and development of Terminal 2A;
- The projected fall in overall passenger demand in air travel as a consequence of the wider economic environment (see below);
- The increased efficiency of passenger processing that could be brought about through harnessing technological developments in passenger self service options.

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[46] During discussions with the airport operating committee, the airlines and BAA at Gatwick, the CAA was not able to identify a suitable forum for discussions to take place. The CAA could consider setting up a group, comprising senior operational staff across service providers, to these discussions forward.
[47] The Airline Consultative Committee is the airline/airport group responsible for airport operations.
[48] It should be noted that although British Airways supports the attendance of the CAA at the service quality working group, BA is generally very happy with the passenger experience at Terminal 5. The airlines operating at the other terminals are much less happy with the through airport experience delivered to their passengers. The CAA also heard that difficulties with baggage delivery persist at Terminal 5.

134) The effect that each of these factors can be expected to have on the passenger experience are considered below.  To summarise, the passenger experience at Heathrow can be expected to deteriorate over the next few years with the reductions in capacity brought about by the demolition of Terminal 2 but improving with the additional capacity offered by Terminal 2A from 2013.  Recessionary pressures can be expected to stifle passenger numbers for some time, while it cannot be determined with certainty when passenger numbers will start to recover.[49]  Technology can also be expected to go some way to speeding up basic passenger processing.  There is a clear trend for airlines to embrace this technology for the check-in experience but it is yet unclear the extent to which technology offers remedies to processing passengers through congested airport in the medium to longer tem.  With the medium term projected growth in passenger numbers coupled with the transition period at Heathrow during the construction of Terminal 2A, stress on the passenger experience can be expected to continue over the next 5 years.

*London Heathrow: terminal refurbishment and airline moves*

135) The opening of Terminal 5 saw the move of a significant proportion of BA flights from other terminals and a number of further terminal moves are planned in 2009.  Table 2 (below) shows the reduced number of passengers going through Terminal 1, Terminal 2, Terminal 3 and Terminal 4 in Quarter 3, 2008.  This resulted in an improved environment for passengers as far less passengers were using the terminals which resulted in increased space and reduced queuing times.  It also provided an improved operating environment for airlines with greater stand availability and improve staff security processing.

| Terminal | Reduction in passengers (million) | % Reduction |
|---|---|---|
| 1 | 2.8 | 45% |
| 2 | 0.3 | 13% |
| 3 | 0.5 | 10% |
| 4 | 1.8 | 40% |

*Table 2: Reduction in passenger numbers at Heathrow across Terminals 1 to 4 resulting from the transfer of British Airway's operations to Terminal 5.*

136) Further airline moves will commence in January 2009 and will be phased through the year with the eventual closure of Terminal 2 in December 2009.  This will also result in the stands and related infrastructure being closed which will have an impact on operations at the other terminals.  Terminal 2 will then be demolished to rebuild the new Terminal 2a which is expected to open in 2013.  Further moves will take place in 2010 where airlines which are not part of an alliance will be moved from Terminal 3 to Terminal 4.

137) These continuing airline moves and a programme of refurbishment in the older terminals will bring the capacity levels at the various terminals up to more normal levels.  They will also have a significant impact on the resilience of airline operations and airlines are very concerned about the reduction in stand capacity and the significant number of airlines that will be using Terminal 4.  These moves can be expected to place more importance on effective joint planning for

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[49] IATA is forecasting slow growth of global passenger numbers from 2010 and the DfT is forecasting a medium to long term  growth of passenger numbers in the UK.

disruption management to improve the resilience of the through airport passenger experience.

*Recession*

138) Previous recessions have shown that the demand for air travel has a link to gross domestic product (GDP). IATA has produced some global forecasts that are based on the impact of previous recessions. They estimate the following trends of demand:

| | |
|---|---|
| 2009 | 3% reduction |
| 2010 | 1% growth |
| 2011 | 5% growth |
| 2012 | 6% growth |
| 2013 | 7% growth |

139) BAA has recently published its traffic figures for November 2008 which shows a decline of 2.4 per cent for the eleven months to November 2008. Heathrow has been the most resilient, which BAA attributes to additional United States flights, as a result of the Open Skies agreement, and a greater share of long haul markets where demand has remained stronger.

140) The reduction in volume at the airports has resulted in an improvement in the passenger experience, as passengers have been able to process through the airport more quickly. It cannot be assumed that this situation will continue and when growth begins to return it will be important that airports are geared up to deal with increasing passenger numbers.

*Technology*

141) The passenger experience has been enhanced in recent years by technological solutions from the stage of booking a ticket to check-in and passport control. The adoption of existing technology by a wider range of airlines and the development of new technology will continue to have a positive impact on the passenger experience. IATA has been developing a "Simplifying the Business" project to pilot innovative technology to enhance the journey through the airport.

142) As part of this project IATA is also working on a Baggage Improvement Programme to reduce the levels of mishandled baggage. This is an important issue for passengers, particularly transfer passengers where there is a greater likelihood of lost baggage. IATA is working with industry to review baggage handling processes and carry out a diagnosis at airports to assess where difficulties lie.

143) IATA's research has shown that customers value their ability to control their departure and arrival processes. The introduction of self service kiosks has been well received by passengers and speeds up the check-in process. Further introduction of technology could have a significant impact on speeding up airport processes and providing passengers with greater control over their journey.

144) The following table sets out a range of technology that can have a significant impact on the passenger journey:

| | |
|---|---|
| e-tickets | Ensuring customers receive their tickets immediately |
| On-line check-in | Available for a wide range of flights including low cost |

| | carriers |
|---|---|
| Self service check-in kiosks | Speeding up the check-in process and providing customers with more control over the process. |
| Bar coded boarding passes | Technology to send bar codes to mobile phones with no need to print out a boarding pass. |
| Document scanning | Passport, visa scanning at self service kiosks reducing the need for physical checks of documents |
| Self bag tagging | Customers are able to tag their own bags |
| Self-boarding | Automatic gates which read bar codes and allow passengers through the boarding gate (already exists in Japan, Scandinavia and Germany). |
| Flight re-booking | Use of self service kiosks to allow passengers to re-book their flights when there has been a delay or cancellation |
| Bag recovery | Self service bag recovery – passengers can use kiosks to register lost baggage and provide contact details |
| Passport Control | Automation to speed up the arrivals process has include the introduction of IRIS and trials of face recognition technology at Manchester and Stansted. |

145) Technology will play an increasingly important role in speeding up processes at airports and giving customers greater control over the timing of their journey. The introduction of self service kiosks means that passenger can check-in earlier if they wish, rather than being restricted to the opening times of manned check-in desks.

**CONCLUSIONS**

146) The CAA's research found that co-ordination between service providers at Manchester airport was generally working well and proposes no further action to improve interfaces at this airport. Research did however find scope for improving interfaces between service providers at Heathrow, Gatwick and Stansted airports along with a number of additional initiatives that could be expected to improve the through airport passenger journey.

*International benchmarking*

147) The CAA noted the insights that can be gained by comparing the performance of major UK airports against their counterparts overseas. Although surveys of UK passengers using UK airports found high levels of satisfaction with the through airport experience, UK airports generally compared poorly against their overseas counterparts. International benchmarking offered a significant insight into the key areas where UK airports could focus resources to improve their international benchmarking scores. BAA commissioned the ACI to carry out quarterly surveys of passengers and uses these results for internal management purposes. BAA did not however routinely share these results with the airlines and other service providers.

148) BAA should be encouraged to make the ACI performance data more transparent to the airlines and the CAA on an ongoing basis so that areas of relative underperformance can be identified and, where appropriate, airports and airlines can work towards improved performance.

*Central search*

149) The CAA is already committed to carrying out in spring 2009 an audit at Heathrow and Gatwick of how airport service performance is measured and reported through SQR. This will be a good opportunity for the CAA to compare and correlate evidence on passengers' own stated perceptions of security queuing compared with BAA's performance results and the reasons for any differences.

150) One area that was highlighted as performing poorly against international service standards was customer service and attitude of airport staff. Concerns were also expressed about this area of service from the airlines, passenger services sub committees and the CAA's own passenger survey. The CAA will continue to draw upon the available evidence to compare the major UK airports with suitable international counterparts to identify those service areas that might warrant further analysis. The CAA proposes to share the findings of the CAA's research with BAA and to request that it consider the implication and identify any appropriate remedial action. This was seen as a particular problem at the central search area at Heathrow. Passenger service subcommittees at BAA airports could also be encouraged by the CAA and, going forward, a consumer body in air travel, to prioritise customer service issues when negotiating BAA key areas for improving passenger experience.

*Industry complaint handling*

151) One area that showed poor levels of satisfaction in the CAA's passenger survey was industry complaint handling. The CAA is working with BAA and the airlines to improve effectiveness of complaint handling. The CAA's ability to influence

industry will increase once it gains expertise for consumer protection under Part 8 of the Enterprise Act 2002. The CAA is also working with BAA to improve passenger representation in its airport consultative committees including how the a central passenger representative body could co-ordinate its work with local passenger services sub committees at major UK airports. The CAA's proposals for improved passenger representation in air travel can be found in a separate paper. [50]

*Advances in technology and passenger processing*

152)   The CAA's research also highlighted the potential for technology to improve the efficiency of passenger processing and that passengers favour self service options. Self service technology has been widely taken up by the airlines to improve check-in. Other areas that could benefit from greater use of technology include boarding, bag drop, sharing information between service providers for disruption management and the use of biometrics at border control. Industry incentives to adopt this technology are significant due to the cost and efficiency savings.

153)   The CAA should encourage industry to explore and take up technology options for improving the passenger experience at the UK's most congested airports, particularly when efficiencies can be increased through the sharing of technology and information between service providers.

*Improving joint planning for disruption management*

154)   Discussions with industry, checked against the CAA's own research, found scope for improving joint planning at Heathrow, Gatwick and Stansted airports for disruption management.

155)   Industry considered that the CAA's attendance at working groups and involvement in driving forward joint planning could be beneficial. The CAA is willing to provide an initial stimulus to discussions on joint planning within service quality working groups on the understanding that service delivery clearly remains industry's responsibility and that the CAA's role is time limited.

156)   One aspect of scenario planning is the policy and regulatory framework for disruption management including industry's obligations of care towards passengers subject to long delays and cancellations. There is a particular rationale for the CAA's involvement in these working groups on scenario planning for disruption planning would have the additional benefit of ensuring that industry was provided with a clear regulatory framework for meeting EC regulations on passenger rights.

*Government policy and EC passenger rights*

157)   The CAA also proposes that Government review its policy on the definition of hardship for delayed passengers to bring it into line with EC passenger rights hence providing increased clarity to industry. This is particularly important for those circumstances when passengers are delayed airside overnight due to the 11pm curfew for noise jet bans at Heathrow.

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[50] Refer to the separate paper: 'The CAA's approach to consumer policy', January 2009 which sets out the CAA's approach to industry complaint handling and proposals for strengthened passenger representation in air travel.

*Improving interfaces for routine operations*

158) The CAA's research found scope for improving the following routine interfaces between service providers at Heathrow, Gatwick and Stansted:
   - Standards and procedures for baggage delivery;
   - Procedures for capacity forecasting information received from the airlines and used by BAA and UK BA for staff rostering (at security ad immigration);
   - Standardisation of airline procedures affecting on time departures;
   - Co-ordination for services provided to persons of reduced mobility.

159) The airport operators (currently all three airports are owned by BAA) are best placed to take leadership on these issues. The CAA sees benefit in attending initial discussions and serving as a catalyst to industry reaching timely agreement on improving joint planning for routine interfaces.

*Improving joint planning between service providers at Heathrow*

160) The CAA proposes, in the short term, to act as a catalyst to joint planning for disruption management and for improving routine interfaces. Industry is supportive of this proposal. The ability of industry to achieve improved outcomes will depend on the continued willingness of airlines, airports and other suppliers to engage. The CAA agrees that its attendance at the initial industry working groups would help to ensure that processes are put in place to make improvements for joint planning. The CAA sees its involvement as a catalyst to industry taking leadership on co-ordination matters and is not proposing any longer term involvement. The CAA proposes to focus the exercise initially at Heathrow. Lessons learnt could then be translated to Gatwick and Stansted airports.

161) Should DfT agree with this approach, the CAA aims to begin work in the first quarter of 2009 and will provide a progress report in summer 2009 covering its work at Heathrow.

**Glossary**

| | |
|---|---|
| **ACC** | Airport Consultative Committee |
| **ACI** | Airports Council International |
| **AUC** | Air Transport Users Council |
| **CAA** | Civil Aviation Authority |
| **DfT** | Department for Transport |
| **IATA** | International Air Transport Association |
| **MAG** | Manchester Airport Group |
| **QSM** | Quality of Service Monitoring[51] |
| **SQR** | Service Quality Rebate scheme[52] |
| **UK BA** | UK Border Agency |

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[51] BAA carries out research on customer perceptions through a feedback scoring system called QSM. This provides BAA with a measure of passenger satisfaction on a scale of 1 to 5 (1 = poor and 5 = excellent), with a wide variety of airport facilities including cleanlines, wayfinding, security queuing, check-in and departure lounge. In total around 40,000 passengers are interviewed each year.

[52] As part of the CAA's economic regulation of airports, the CAA sets service quality targets for BAA at Heathrow and Gatwick airports. In the event that BAA fails to meet these targets, a financial penalty is payable to the airlines.

**Annex A: Methodology used for researching the passenger experience**

1. The CAA used three main strands of research to assess how the air passenger experience was working from an industry and passenger perspective:

    a. consultation with industry stakeholders mainly involving face-to-face meetings;

    b. a comprehensive passenger survey at Heathrow, Gatwick, Stansted and Manchester airports;

    c. assessment of industry service performance information from July 2007 to August 2008.

2. The purpose of exploring all three sources was to pick up and compare general themes arising across the workstrands. No one research stream could be expected to be a completely accurate reflection of the passenger experience. For example, disruption management can be difficult to pick up in passenger surveys as often passengers are not able to get through the airport during times of disruption. Furthermore, the passenger survey was carried out for a very limited time period (around 6 weeks) which may reflect the passenger experience in a particularly good (or poor) light depending on events at that time.

3. On the other hand, industry views could be dismissed as anecdotal so the CAA was keen to find evidence in the passenger survey or assessment of industry performance to support industry views. Similarly, passenger views can be quite different from what the CAA heard from industry such as the time passengers said they waited in queues when compared with industry reporting. More research streams allow for the CAA to build up an accurate picture of how all four airports are working to deliver a good experience to passengers.

## A. INDUSTRY CONSULTATION

4. The CAA wrote to key stakeholders at Heathrow, Gatwick, Stansted and Manchester airports to outline the Secretary of States section 16 request for advice and to request a meeting. The meetings focused on four key subjects:

    *(i)    Quality of service provided by various operators*

The passenger experience is significantly influenced by the interface between service providers each with their own legitimate objectives, business models, customer strategies, incentives and operational constraints. We know that within individual service providers, work has been and is going on to improve those aspects of consumer satisfaction that are within that service provider's control.

*We would like to understand the quality of service you aim to deliver to passengers and the procedures you have in place to achieve this.*

    *(ii)    Interface issues between various service providers*

Soundings from other sectors and the CAA's own work on the economic regulation of designated airports suggest that the customer experience can suffer where there is a lack of understanding between different service providers on quality of service provided to customers. We know that service providers at airports are dependent on the quality of service and / or facilities provided by other operators and that difficulties experienced at one pinch point can have knock on effects through to others. Different perspectives on service quality at the interfaces within the chain can significantly impact on both customer satisfaction and efficiency of operations.

*We would like to understand whether, and if so where, you think there may be interface issues, where these key interfaces arise in the through airport experience, the effect this can have on the passenger experience and how you think these issues could be addressed to improve overall service quality and/or decrease the frequency of interface difficulties occurring.*

(iii)    <u>Sharing of information on performance</u>

The initial round of consultation generally expressed uncertainty about how increasing transparency of service quality would benefit passengers and raised concern that poor service quality delivered by one provider at an airport might unfairly detract customers from service providers that are providing a good level of service. Responses said that a lot of information was already shared between service providers.  There was however general support for exploring the scope for improving the sharing of information specifically on performance.   Some of you suggested existing working groups (e.g. airport operating committees, passenger service subcommittees of airport consultative committees) could be used to carry out this exercise on a routine basis.  The CAA can see the benefit that this might bring on early detection of areas where service quality might be falling short, encouraging better levels of accountability between service providers for the service they provide, and improving co-operation between service providers to rectify any difficulties.

*We would like to understand the type of information that is shared at airports between service providers, in what forum this occurs, how this information is used and your views on the scope for and benefits of sharing more information on performance between service providers.*

(iv)    <u>Planning for when difficulties occur to the passenger experience</u>

Another theme that arose during the initial round of consultation on improving the passenger experience was the planning that takes place between service providers at airports for situations when severe stress or exogenous shocks are placed on the passenger experience.  This is an area of work on which the U.S. Department of Transportation has been working with industry.

*We would like to understand how early warning signals work between service providers on potential difficulties to the passenger experience, the planning that currently occurs at airports for key scenarios when exogenous shocks occur e.g. how service providers plan for high passenger capacity levels, how service providers inform each other when difficulties are faced with facilities affecting the through airport experience, how airlines inform service providers when flights are delayed and/or cancelled and when high numbers of passengers are likely to be stranded at an airport, and how service providers react when stress is placed on their service.*

5.  The CAA wrote to the following stakeholders:

Kyran Hanks
Economics Regulation Director
**BAA Limited**

Terry Morgan
Acting Managing Director
**Heathrow Airport Limited**

Andy Flower
Managing Director
**Gatwick Airport Limited**

Paul Ellis
Chairman
**LACC Heathrow**

Jim Hunter
Chairman
**Heathrow Airport: Airline Operators Committee**

David Parish
Chairman
**LACC Gatwick**

Mark Kamis and Barry Ealey
Joint Chairmen
**Gatwick Airport: Airline Operators Committee**

Robert Siddall
Chief Executive
**Airport Operators Association**

Roger Wiltshire
Secretary General
**British Air Transport Association**

Mike Carrivick
Chief Executive
**Board of Airline Representatives in the UK**

John Hanlon
Secretary General
**ELFAA**

Simon Evans
Chief Executive
**Air Transport Users Council**

Lin Homer
Chief Executive
**UK Border Agency**

Dr John Godfrey
Chairman
**Gatwick Airport Consultative Committee**

Sam Jones CBE DL
**Heathrow Airport Consultative Committee**

Andrew Cornish
Managing Director
**Manchester Airport**

Stephen Wilkinson
Chairman
**Manchester Airport Consultative Committee**

Stewart Wingate
Managing Director
**Stansted Airport**

Stewart Ashurst
Chairman
**Stansted Airport Consultative Committee**

David O'Brien
Chairman
**Stansted Airlines Consultative Committee**

Steve Ridgway
Chief Executive
**Virgin Atlantic Airways**

Nigel Turner
Chief Executive
**BMI**

Andrew Harrison
Chief Executive
**EasyJet**

Michael O'Leary
Chief Executive
**Ryanair**

Christine Browne
Managing Director
**Thomson Airways**

Frank Pullman
Managing Director
**Thomas Cook**

Andrew Cooper
Director General
**Federation of Tour Operators**

Mark Tanzer
Chief Executive
**ABTA**

Noel Josephides
Council Member for Industry Issues
**Association of Independent Tour Operators**

6.  Following sending out the letters, the CAA held 42 meetings with a wide range of industry representatives at the four airports.  Initial meetings sought industry views on the air passenger experience and suggestions for improvement.  Follow-up meetings

focused on the detail of CPG's developing proposals and allowed industry to provide in-depth views.

The following table details the companies that CPG met.

| Airport Operators | Airline Operating Committees |
|---|---|
| BAA Heathrow | Heathrow |
| BAA Gatwick | Gatwick |
| BAA Stansted | Stansted |
| Manchester Airport Group | |
| **Airlines** | **Other Organisations** |
| BMI | ABTA |
| British Airways | AOA |
| easyJet | AUC |
| KLM | BARUK |
| Ryanair | DKMA (organises surveys for ACI International) |
| TUI | FTO |
| United Airlines | UK Border Agency |
| Virgin Atlantic | IATA |
| **Airport Consultative Committees** | |
| Heathrow – Passenger Services Sub-Committee | |
| Gatwick | |
| Stansted – Passenger Sub-Group | |
| Manchester – Chair and User Group | |

## B.    PASSENGER SURVEY

7.  The CAA commissioned ORC International to survey passengers at Heathrow, Gatwick, Stansted and Manchester airports on their experience of air travel.  The survey interviewed passengers about their experiences at key stages of the passenger experience from buying an air ticket, travelling through the airport to complaint handling.  1600 passengers were surveyed at all four airports.  The results of the survey will be submitted alongside the CAA's section 16 report to the Secretary of State on improving the air passenger experience.

## C.    ANALYSIS OF INDUSTRY SERVICE PERFORMANCE

8. The airports collect a lot of information on service performance including 'experiential' passenger survey data and operational facts (i.e. actual measured security queue times).  One of the CAA's responsibilities is to monitor performance of services provided by the airport operator under the service quality rebate scheme whereby BAA is required to provide airlines with financial compensation should they fail to attain certain agreed service targets.

The CAA requested service performance information BAA and MAG over the snap shot of a year (July 2007 to August 2008) focusing on the following areas of the through airport experience:

- Security queues
- Check in
- Flight information
- Way finding
- Trolley availability
- Departure lounge
- Landside seating
- Level of security
- Transit information
- Cleanliness
- Operation on passenger sensitive equipment (e.g. travelators, lifts)
- Ambience
- Customer service
- Overall experience
- Getting on and off plane
- Baggage reclaim
- Persons of reduced mobility (PRMs)

9.  The overall purpose of this exercise was to identify service areas that are working well, where difficulties frequently occur at all four airports, and areas that score poorly on a routine basis.  The following tasks fell out of this objective:
- compare performance quality reporting between what passengers are telling us about service (experiential information) with actual measured data (or the operational fact e.g. for security and baggage reclaim);
- in relation to the operational data, review the raw data (i.e. before it is averaged out) to gain a picture of trends at airports (including frequency of when things are working well and frequency of when difficulties are experienced and the extent of these difficulties);
- compare service quality performance across the four UK airports.

10. Finally, the CAA compared the data collected from the airport with the findings of the CAA's passenger survey and the key themes arising across its meetings with industry.

Passengers - It's important to me that...

BAA **Heathrow**

My transport to the airport is on-time – simple, clean and well organised

**Bus, Rail, Tube, Road, Coach, car park operators**

Check-in and bag-drop has no queues, is friendly and simple

**Airlines and Ground handlers**

Security is quick, stress-free with no queues.

**BAA**

I want to relax, with plenty of info about my journey

**BAA**

I can find where I am going and can wait in comfortable gates

**BAA**

My aircraft leaves on time, with my bags

**Airline, ground handler, NATS**

Parking to drop off my relatives or business associates at, Heathrow is easy, and not far from the terminal

**BAA**

My connection at Heathrow should be quick and simple with my baggage taken care of

**Airline, ground handler, BAA**

my connection on from Heathrow is always on time, efficient, and well explained

**BAA, Bus, Rail, Tube, Road, Coach operators**

My aircraft arrives on time and I disembark on time

**Airline, ground handler, NATS, BAA**

Plan & Book Travel

Travel to Airport

Check In

Security

Departure Lounge

Departure Pier and Gate

Landside Retail

Connecting

Drop and Meet

Leave Airport

Arrivals

Customs

Baggage Reclaim

Border Control

Arrival Gate and Pier

I have the facilities I need like clean toilets in the right place in arrivals

**BAA**

My bag should be waiting for me when I get to the baggage hall.

**Airline and handlers**

I want passport control to be quick without any queues

**UKBA**

My walk is not too far to collect my bags

**BAA, Airlines, ground handlers**

My aircraft doesn't spend a long time getting to the stand

**BAA, NATS, Airlines**

**Annex C: Overall findings of the CAA's research**

The CAA's passenger survey and key driver analysis showed that the following are likely to have most impact on improving the passenger experience:

- Comparing service quality standards: whilst one of the main reasons passengers chose a flight that was not the cheapest was that they wanted a superior airline service quality, only 35% of respondents thought that it was easy to compare service quality when buying their ticket;
- Customer service at airport: staff helpfulness and availability at the airport was rated poorly by respondents. This is especially interesting given that in the in-flight experience the customer service of passengers was so important;
- Arrivals experience: respondents were less satisfied with their experience in this part of their journey than other aspects. This is particularly true of luggage reclaim which not only rated relatively poorly but most commonly selected as a negative part of the journey;
- Awareness of consumer rights: only half of respondents were aware of their rights as a passenger in the event of delays or cancellation. Even fewer were aware of the UK's consumer council for air travellers (the Air Transport Users Council);
- Complaints handling: a high proportion of respondents (who had made a complaint) were not satisfied with how it had been handled.

An analysis of service performance across all four airports over the past year shows that the following areas could be a focus for improvement:

- increase accuracy of data on baggage delivery and improve reliability of baggage delivery times;
- there remains propensity for long maximum queue times at security;
- there also remains a significant contrast between how long passengers say they waited at security as compared with how long BAA reports security times under the SQR regime. This suggests that the CAA should do an audit on how queues are measured;
- immigration queues at Stansted;
- ACI data shows that if UK airports want to rate well compared with their international competitors, they should place the most investment in courtesy and helpfulness of airport staff.

Discussion with industry has suggested the following issues should be focused upon to improve the passenger experience:

- Procedures for improving capacity forecasting;
- Security and immigrations queues: staff rostering during peaks and troughs;
- Accuracy and timeliness of capacity forecasting across all airlines;
- Criteria for accurately measuring security queues;
- Customer care of airport staff particularly at Heathrow.
- Overcrowding airside;
- Wayfinding;
- Scenario planning for joint disruption management rather than ad hoc basis
- Timeliness of flight information in the terminal
- Improving co-ordination between airlines and airport operators for services provided for persons of reduced mobility.

**Annex D: The operational environment of UK airports over summer 2008**

Discussions with industry highlighted that Heathrow had a very good operational summer in 2008 with few major disruptions. This is unprecedented and has been due to the airline moves across terminals. Airlines have described operations over the summer at Heathrow as the 'Heathrow honeymoon.' BA's move to T5 freed up capacity in T1, T3 and T4 and due to the reduction in passenger volumes this resulted in a much better flow through the airport. In T3 alone there has been a reduction of around 10-12 flights a day. This has had a significant impact on the size of security queues with passengers being processed more quickly. BAA noted that at Heathrow there had been an absence of multi-Terminal, multi day problems.

Efficiency has also been improved as additional aircraft stands have been made available allowing aircraft to get to the gate more quickly on arrival. It has also enabled aircraft to be on the gate ready for departures which has improved punctuality. There has also been additional capacity at control posts which have helped to get vehicles (staff, catering etc) security cleared more quickly and leads to a more efficient operation.

This level of operation is unlikely to be maintained, further airline moves next year, a significant redevelopment programme and the planned closure of T2 will all impact on operational efficiency. Punctuality is also likely to be impacted by the proposed reduction in the number of parking stands next year which will result in more aircraft having to be parked remotely and passengers being coached to the aircraft.

CAA statistics showed that there have been significant reductions in passengers going through T1, T3 and T4 and a small reduction in T2 during the period that the passenger survey was carried out (Quarter 3 2008). Over the 5 terminals passengers were down by 1%.

| Terminal | Reduction in passenger (million) | % Reduction |
|----------|----------------------------------|-------------|
| 1 | 2.8 | 45% |
| 2 | 0.3 | 13% |
| 3 | 0.5 | 10% |
| 4 | 1.8 | 40% |

The other airports have also seen a reduction in capacity. We were told by the main ground handling company at Stansted, Servisair, that this reduction has had a significant affect on improving passenger processing through the airport.

| Airport | Reduction in passenger (million) | % Reduction |
|---------|----------------------------------|-------------|
| Gatwick | 0.4 | 3% |
| Stansted | 0.4 | 5% |
| Manchester | 0.4 | 5% |

**Disruption**

The passenger survey was conducted in an unusual climate, with no significant delays and increased capacity available. It is clear that when the airport is

functioning well passengers are satisfied with their experience. However, it is when things go wrong that there can be a significant impact on the passenger experience. This can be due to check-in or baggage systems going down, bad weather, delays etc. Due to the congestion at Heathrow there is no spare capacity to turn things around and get operations working again. A relatively small problem can lead to flights being cancelled and significant numbers of passengers in the terminal building. In mid August this year, a problem with the check-in and baggage system in T3 resulted in the terminal being closed with thousands of passengers stuck outside for up to 6 hours.

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**THE LOW FARES AIRLINE**

| Corporate Head Office, | Department Fax Numbers | |
|---|---|---|
| Dublin Airport, | Finance: | 01 8121373 |
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| Ireland. | Flight Operations: | 01 8444404 |
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| Website: www.ryanair.com | | |

4th September 2008

Rt. Hon. Jacqui Smith, MP
Home Secretary
The Home Office
2 Marsham Street
London SW1P 4DF

Dear Home Secretary

I wrote to you on 25th July 2008 highlighting the failure of the UK Border Agency to adequately staff the Immigration desks at Stansted leading to passenger queues stretching back into airport piers.    I have received a letter, over one month later, from a Border Agency manager at Stansted purporting to reply on your behalf.
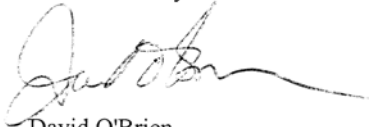
Once again, Border Agency officials absurdly blame their failure to adequately staff the available Immigration desks at Stansted on airline schedules.   The simple fact is that when all of the Immigration desks are staffed on time there are no excessive queues and that queues occur when they are not staffed on time.   No amount of obfuscation or petty sniping by the Border Agency can disguise this fact.   Quite frankly, our passengers deserve better than a self serving and inaccurate response from one of the managers responsible for the continuing failure at Stansted.

At a recent meeting chaired by the Competition Commission, it was revealed that Stansted Airport have paid the Border Agency considerable sums of money to staff these desks over Christmas and other peak periods.   These payments "purchased" additional hours from the Border Agency through overtime.   It is scandalous that these, heretofore unreported, payments had to be made to ensure that the Border Agency did what they were supposed to have done in the first place.

BAA Stansted report that the Border Agency have c.130 full time staff at Stansted; a ratio of 5.5 staff per desk.   This generous ratio should allow for the staffing of all desks, 24 hours per day, yet the Border Agency fails to staff all Immigration desks even at peak periods.    Why should the UK taxpayer and passengers at Stansted Airport be forced to accept extraordinary inefficiencies and long queues from the Border Agency and forced into questionable payments to the Border Agency to secure a decent service at peak periods?

We again request your intervention to ensure that Immigration desks at Stansted are staffed efficiently to eliminate long and distressing queues.

Yours sincerely

David O'Brien
Director of Flight & Ground Operations

cc.     Mr Bob Wainwright, Chairman, Stansted AOC

Ryanair Ltd.
Registered in Ireland No. 104547

V.A.T. REG. NO. 4749148U

Mr David O'Brien
Corporate Head Office
Ryanair
Dublin Airport
County Dublin
Ireland

26 August 2008

**Ref: FR/DO**

Dear Mr O'Brien

I am writing in response to your correspondence of 25 July 2008 sent to the Home Secretary Jacqui Smith. As your letter relates to the Border Control at Stansted Airport it has been passed to me for attention.

The UK Border Agency has been established to strengthen security at the border and brings together all the work of the Border and Immigration Agency, Customs detection work at the border from HMRC and UKvisas. The newly formed agency is responsible for securing the United Kingdom borders and controlling the flow of travellers and goods into the United Kingdom.  We manage border control for the United Kingdom, enforcing immigration and customs regulations at the same time as facilitating the flow of legitimate travellers and goods. This is also enormously important in the context of national security and the policies set by the Government make it absolutely clear that every person entering the UK must be seen by officers from UK Border Agency.

As we have explained in previous correspondence, staff coverage of the immigration controls is a complicated business. Staffing has to be planned within Departmental budgets and well in advance to provide 24 hour 7 day per week coverage. The Stansted Command staffing teams and managers give careful consideration to the organisation and running of the control bearing in mind the resources available. The position is monitored and duty list compilers do their best to ensure there are sufficient numbers of staff on duty at the appropriate time, based on published flight schedules and anticipated passenger loads. However due to the nature of the operations at the airport, the aircraft aim to return to the UK hub at the end of the day. This can cause 'bunching' of flights and a tendency for numbers of passengers in the border zone to increase to, or beyond the normal capacity of the area. At these times our managers ensure all the available officers on duty are deployed on the control to maximise the passenger flows.

The fact remains that the scheduling of flight arrivals is a matter over which the UK Border Agency has limited influence.  This, and the passenger loads are controlled, in the main, by the Airport Authority (BAA Stansted Airport Limited) and the airlines. I am sure Ryanair are aware that the scheduling of Ryanair flights, as agreed with the respective airport authorities, culminates in Ryanair passengers arriving at the most congested times. For example at Stansted on 24 August, between 22.00 – 00.00hrs there were 45 international flights scheduled, of these Ryanair accounted for 33 (73 %) flights.  Potentially this means that between these times 5,319 passengers could arrive on Ryanair flights. Compare this with the flight arrivals between 20.00 hrs and 22.00 hrs when there were 10 international flights scheduled, 2 of which were Ryanair flights. It is for this reason that we still regard sensible

consideration of terminal passenger capacities and corresponding flight scheduling to be a factor in dealing with congestion related difficulties. That said I do recognise that such flight scheduling may be a key part of the low cost airline business model.

Recently the UK Border Agency has undertaken a number of initiatives in conjunction with BAA to improve the measures in place to keep arriving passengers informed of the situation they may face. These include signs and announcements advising passengers of possible queuing times. These advise targets set nationally for waiting of no more than 30 minutes and being dealt with within 45 minutes. The UK Border Agency endeavours to keep queuing to an absolute minimum. The queues are regularly monitored as part of a national initiative and according to our records the average queue times for passengers in the arrivals hall at Stansted for week commencing 16 August for EU/EEA passengers was 8.3 minutes and for non EEA passengers was 6.1 minutes. We are also exploring the use of new technology that could provide automated methods for processing certain travellers.

Improving the passenger experience is of importance to the UK Border Agency and there are ways where cooperation with and from airlines can contribute to achieving this. In spite of your statement 'Ryanair provide every assistance to that organization, above and beyond what is required by law' I am sure you are aware airlines are obliged to present their passengers at Border Control and that at Stansted the airlines employ Heppair, who act as airline representatives, to provide this service. The service is required until the last passenger has passed through the control but the contract the airlines have with Heppair ends at midnight. The lack of adequate presentation has a very real and negative impact on the passenger experience travelling through the airport. Helpful arrangements could be implemented by airlines with flights arriving after this time and might include dedicated presentation of their own passengers or extending the contract with Heppair to provide sufficient coverage to facilitate the flow of passengers through the arrival hall, were affected airlines minded to do so, and I believe this would be very much in tune with the spirit of the legislation.

In addition, carriers are required to supply landing cards to those passengers who require them under paragraph 5 of Schedule 2 to the 1971 Act and should do so on the aircraft. This does not always happen and until recently, Heppair also provided landing cards to passengers in the arrival hall as part of their service but they have ceased to do this on grounds of cost. One consequence of cards not being handed out on all flights is the potential for congestion in the Immigration Arrival Hall as passengers have to fill cards in the Hall with a resulting effect on transaction times. The hall may contain passengers from a number of carriers so this congestion can affect Ryanair passengers whether or not they themselves have been provided with cards on the aircraft operated by Ryanair.

Finally, maintaining Secure Borders remains the primary focus for the UK Border Agency and this has been reinforced by the establishment of a new unified border force in the form of the UK Border Agency. Over the summer the UK Border Agency has held an exhibition at a number of airports across the UK, including Stansted, to raise public awareness to the work of the Agency. Please be assured that we are fully committed to working with airport operators and with carriers to improve the passenger experience at the same time as delivering a more secure border.

Yours sincerely

Barry McGill
Assistant Director Stansted Command

**Annex G: Average factor mean scores of the ASQ top 10 airports ranked from highest to lowest (source: Airports Council International)**

 1 Cleanliness of airport terminal
 2 Overall satisfaction with the airport
 3 Courtesy, helpfulness of check-in staff
 4 Courtesy, helpfulness of airport staff
 5 Ambience of the airport
 6 Availability of washrooms / toilets
 7 Efficiency of check-in staff
 8 Feeling of being safe and secure
 9 Ease of finding your way through airport
10 Passport and visa inspection
11 Cleanliness of washrooms / toilets
12 Flight information screens
13 Ease of making connections with other flights
14 Thoroughness of Security inspection
15 Courtesy and helpfulness of Security staff
16 Waiting time in check-in queue / line
17 Comfort of waiting / gate areas
18 Availability of baggage carts / trolleys
19 Ground transportation to / from the airport
20 Waiting time at Security inspection
21 Arrivals passport and visa inspection
22 Customs Inspection
23 Walking distance inside the terminal
24 Availability of parking facilities
25 Speed of baggage delivery service
26 Business / Executive lounges
27 Shopping facilities
28 Restaurant / Eating facilities
29 Availability of bank / ATM facilities
30 Opening hours of shopping / restaurant
31 Phone / Internet / IT facilities
32 Parking facilities value for money
33 Restaurant facilities value for money
34 Shopping facilities value for money

**Annex H: BAA's proposed remit for the service quality working group at Heathrow**

Service Quality Group: Review
12th November 2008

**Background**

The constructive engagement process for Q5 is now drawing to a close, with the main CAA price control decision being published in March 2008. It is felt that there is still value in the Service Quality group meeting regularly, but with redefined purpose and agenda going forwards.

The group believe there is still scope for influencing and improving the service levels at Heathrow by continued engagement. In the absence of the constructive engagement framework and requirements, it is important the group defines its purpose and agenda to ensure productive use of time.

**Draft Terms of Reference**

| Logistics | Attendees |
|---|---|
| Time: 2 hours<br><br>Frequency: Bi monthly<br><br>Location: AOC Offices D'Albiac House | • Jim Hunter - AOC<br>• Edwina Silo - AOC<br>• David Stewart -IATA<br>• David Millford - British Airways (Chair)<br>• Rowan Chalmers – Virgin<br>• BMI representative – tbd<br>• Ceri Sumner – BAA<br>• Nigel Richardson - BAA |
| **Purpose** | **Agenda (example)** |
| • To agree the future service quality levels required to make Heathrow the preferred choice for passengers<br>• To explore areas for ongoing operational improvement where service levels are falling below expected performance<br>• To review BAA Service Quality results and payments arising<br>• To debate and agree regulatory outcomes to outstanding Service Quality issues<br>• To identify areas where service could be improved through closer collaboration/ joint working between airlines and airport<br>• To work through areas of disagreement/ conflict to create the optimum outcome | • Review of outstanding Q5 issues<br>• Automated queue measurement<br>• Regulatory requirements – ie outputs from CAA Consumer Policy group<br>• Service improvement requirements/ priorities - as highlighted by SQR performance<br>• AOB |