

### How the CAA protects consumers and promotes the legal rights of UK air passengers

Protecting consumers is at the heart of everything the Civil Aviation Authority does. This duty covers the wide range of activity we are responsible for - including our roles in aviation safety, security and running the ATOL financial protection scheme. A key area of our consumer work focuses on protecting and promoting the legal rights of UK air passengers.

The CAA's Consumer Protection Team works to ensure that aviation consumers receive fair treatment and get the rights they are legally entitled to. It does this through regular compliance work, by setting quality standards and by reviewing the practices of airports, airlines, tour operators and travel agents. Its aim is to ensure the industry complies with both aviation and consumer law and, where shortcomings are found, carries out enforcement work to achieve positive outcomes for consumers.

### Passengers' rights to financial compensation

Probably the most well-known piece of consumer legislation in aviation is Regulation (EC) 261/2004 which, among other things, provides consumers with access to financial compensation in the event of denied boarding, flight cancellation and long delay.

Over the last couple of years, the CAA has published a number of <u>compliance reports</u>, which have looked at how well airlines have been complying with the key requirements of this regulation. We have recently published the latest of these compliance reports, which focuses on the issue of financial compensation for long delays resulting from missed connections. Under the regulation, passengers are legally entitled to compensation if they arrive at their final destination more than three hours late - including if they were booked on a connecting flight - and the delay was not outside of the airline's control. These rights apply to any flight departing an EU airport, regardless of the nationality of the airline.

As our latest report sets out, although most airlines pay compensation and comply with the law, five airlines - American Airlines, Emirates, Etihad, Singapore Airlines and Turkish Airlines - have confirmed to us that they do not pay compensation to passengers who have experienced a long delay as a result of missing a connecting flight. In publishing this report, we have also launched enforcement action against these five airlines to bring them into compliance and ensure passengers get the rights they are entitled to.

We will continue to review the compliance of airlines with Regulation (EC) 261/2004. Later this year we will commence a review of how well airlines re-route passengers when their flights have been cancelled.

# Your right to fly - helping ensure people with a disability have access to air travel

An area of the CAA's work which is possibly less well known, but which is a priority for the CAA, is in relation to disabled passenger rights. Under European law, passengers with a disability or reduced mobility are legally entitled to receive 'special assistance' at airports and on-board aircraft, to allow them to complete their journeys with the minimum of fuss and inconvenience. The legislation around this, Regulation (EC) 1107/2006, means the assistance must be free and tailored to the needs of the individual.

During 2015/2016 we launched a new performance framework which requires the UK's 30 biggest airports to meet a set of quality standards in their delivery of this special assistance. The framework, the first of its kind in Europe, assesses airports against a range of factors including waiting times for assistance, passenger satisfaction with the assistance, passenger complaints, and consultation with disability groups.

Our first <u>Airport accessibility performance</u> <u>report</u> showed most airports provided 'very good' or 'good' assistance services, however 12 airports were rated as 'taking steps' and one airport was rated 'poor'. These airports must now put measures in place and must achieve demonstrable improvements to their assistance service. By holding airports to account, this framework will deliver a much more consistent and high quality assistance service across the UK.

This summer, we will publish another performance report covering the period April 2016 to March 2017. Furthermore, it is our intention to develop a similar framework to measure the performance of airlines in assisting passengers with a disability or reduced mobility.

#### Hidden disabilities guidance

The special assistance that airports and airlines have to provide applies as much to those with non-physical or 'hidden' disabilities as those with physical disabilities. Hidden disabilities include, but are not limited to, dementia, autism, mental health problems, hearing loss and visual impairments. Following a wide-ranging consultation with airports, charities, and other other groups representing people with hidden disabilities, and having assessed the results of passenger surveys and complaint data, we concluded many airports needed to do much more in this area.

To address this, in December last year, we launched <u>new guidelines</u> for airports, which were backed by a host of disability charities, and which set out how UK airports should support people with hidden disabilities and help improve their journeys.

The aim of the guidelines is to ensure that passengers with hidden disabilities can identify themselves to staff, for example through offering the option of a visible aid such as a lanyard, badge or bracelet. In addition, airlines must ensure that information about the airport and the assistance service is available in a range of suitable formats, including clear pictogram images and audio messages.

Furthermore, airports should consider providing quiet routes and quiet areas and must ensure airport staff, including security staff, are given enhanced hidden disability training.

We have asked the UK's 30 largest airports to make the necessary improvements to their special assistance service and we will publish a report on the changes made this summer.

#### Alternative dispute resolution

It is important that passengers have a means of settling disputes with airlines without having to resort to going to court, which can be a costly and time consuming process.

In 2016 we introduced Alternative Dispute Resolution (ADR) to the aviation industry, in order to help improve the outcomes for consumers that make a complaint to their airline. This move brought the aviation sector in line with other industries such as telecoms, energy and financial services.

We have now approved three ADR providers -CEDR, Retail Ombudsman, NetNeutrals - and it is pleasing to note that the majority of passengers flying in and out of the UK are now covered by ADR. Major airlines that have signed up to ADR include British Airways, easyJet and Ryanair. This means that more than 70% of passenger journeys to and from the UK are now covered by ADR.

This is a major boost to consumers, who can now benefit from quick, fair solutions which are legally binding on the airline. This means if an airline is told they must pay compensation to a passenger, they are contractually obliged to pay. Previously, consumers may have had to go to court to achieve a binding outcome on their complaint.

If an airline has not signed up to an ADR, the CAA's Passenger Advice and Complaint Team (PACT) will still provide free advice and assistance, although we do not have the legal powers to provide legally binding decisions on individual claims. We continue to work to ensure as many airlines as possible join ADR services and this remains a key area of our activity over the next year.

To find out more about ADR and see which airlines have signed up, see the <u>ADR section of our website</u>.

#### Signposting to ADR

Even airlines which are not signed up to ADR have to provide certain information to consumers about their options for escalating a complaint. In conducting a compliance review over the course of 2016, the CAA found that the majority of airlines comply with these rules, ensuring that consumers understand the options for taking their complaint forward.

However, as part of this review, and using the CAA's legal powers to obtain information, we have found that two EU airlines, Croatia Airlines and Wow Air, were not correctly informing passengers of ADR. In order to ensure these two airlines change their practices, we have used the EU Consumer Protection Cooperation Network to formally refer them to their home authorities to take further action.

#### Unfair commercial practices

In addition to the aviation-specific legislation which the CAA enforces, it is also an enforcer of general consumer protection legislation covering unfair commercial practices. The CAA has been very active in this area in recent years, for example in tackling 'drip pricing' on airline and travel agent websites. Transparency and fair pricing will continue to be an area of priority for the CAA, and we continue to be active in this area.

During the first half of 2016 we investigated price transparency issues at two online travel companies, eDreams and Opodo (both part of the eDreams ODIGEO group). The investigation included evidence and information gathered from a range of stakeholders, including consumer groups. This, along with our own analysis, led to concerns about the way information and prices were presented to consumers on their websites.

The businesses cooperated with the CAA in making changes to their websites, ensuring that flights and holidays are advertised at prices which can be achieved when booking by debit card. Furthermore, improvements were also made to the appearance of the businesses' websites and Google search results to improve transparency. We secured legal undertakings from the businesses, ensuring necessary changes were made to their websites. <u>More information is</u> <u>available here</u>.

#### Price comparison websites

More recently, we have been reviewing the information provided to consumers by holiday price comparison websites and the degree to which the deals advertised are available in practice.

Ensuring prices are transparent and consumers are not misled is of particular importance for the CAA in the flight-inclusive holiday market since the CAA also runs the ATOL scheme.

Although the ATOL scheme is primarily intended to financially protect consumers if their holiday company collapses, it is important that when consumers see the ATOL logo, they can buy with confidence and will not be misled. Over the course of the next year we will report on our work on holiday price comparison websites and the follow up work on the holiday companies that advertise through them.

# The Consumer Rights Act 2015 and unfair terms

The Consumer Rights Act 2015 clarified and consolidated a range of key consumer contract rights including those relating to the fairness and transparency of terms and conditions. We have been developing our thinking in this complex area and we have recently conducted consumer research to understand which contract terms consumers find the most surprising and onerous. Over the next twelve months we will begin work with airlines to ensure that their contract terms are fair and balanced and that key terms are displayed prominently and transparently to consumers.

# On-going commitment by the Consumer Protection Team

We will continue to monitor the policies and practices adopted by airports, airlines and travel companies to ensure consumers have access to their rights and are given clear and accurate information about flights and holidays.

Where we have evidence of misleading or unfair practices by companies, we will not hesitate to take action where necessary to protect consumers.

If you are dissatisfied with a service relating to an airport or airline and/or would like to make a complaint, the CAA has the following advice page: <u>How the CAA can help</u>.