

Chief Executive's Office

Rt Hon Peter Kyle MP
Secretary of State for Department of Business and Trade
President of the Board of Trade
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Via email: kyle@businessandtrade.gov.uk

24th April 2026

Dear Secretary of State,

Thank you for your letter of 2 April 2026 asking the Civil Aviation Authority (CAA) to set out the specific measures it is planning to take to support consumers in essential markets, linked to the three areas you have outlined. We welcome the Government's clear focus on cutting the cost of living and strengthening consumer protection, and we agree that empowered consumers and effective regulation are central to delivering fair, competitive markets. The CAA is committed to playing its full role as part of this.

Travel is an essential service for many UK consumers. Millions of people rely on air travel to visit friends and relatives, and recent research indicates 96% of UK citizens view leisure travel as an essential area of spending, even amid higher living costs (CBRE, 2025¹). In this context, the CAA is committed to ensuring that aviation consumers can make informed choices, are protected from unfair commercial practices and can secure timely redress if things go wrong. This is reflected in our consumer strategy², which prioritises empowering passengers, ensuring fair treatment, and promoting high standards of safety and security. Within this, we place particular emphasis on protecting disabled and/or vulnerable passengers, enforcing compliance with consumer law, and fostering competition.

In response to the three areas you highlight in your letter, the CAA agrees that it has an essential role to take action to address these types of consumer problems. I have highlighted below the work which we are planning to undertake to address these issues.

Pricing practices

The CAA is undertaking work targeted to improve price transparency and reduce the risk of consumers being misled or disadvantaged when booking air travel. Specifically, over the next year we will:

1. Review the consumer purchasing journey, including clear and accurate price information

It is essential that consumers get clear and accurate information and are not misled or put under undue pressure so they can make informed purchasing choices. In aviation, well

¹ [From stress to serenity, how important are holidays for Brits? | CBRE UK](#)

² <https://www.caa.co.uk/publication/download/20684>

established and understood sector specific legislation requires that the price advertised must be achievable, with all unavoidable taxes, fees and charges included in the headline price. Against this context, many airlines seek to maximise consumer choice through the disaggregation of certain, 'optional' services.

For many passengers, this choice represents value. Over half of respondents to the CAA's 2025 UK Aviation Consumer Survey³ reported making use of lower cost options such as travelling at less popular departure times or with minimal luggage. However, the CAA recognises that for some consumers, these 'optional' services may in practice be considered essential.

The CAA's Consumer Protection Team is therefore undertaking an in-depth review of the consumer purchasing journey. As part of this work, we will be considering whether practices raise any particular issues in relation to aviation-specific or general consumer law requirements. We plan to complete our initial journey mapping and analysis by summer 2026 with prioritisation and decisions on next steps to be agreed in autumn 2026.

Contract and Subscription Frictions

While aviation does not operate traditional subscriptions in the same way as other essential markets, we are focussed on reducing friction that prevents consumers from understanding their rights, comparing offers, or securing refunds and redress. Clearer information supports consumers to assess what they are paying for and what protection they can expect. With this in mind, we will:

2. Empower consumers to act by issuing proactive **consumer communications** to minimise the risk of things going wrong, and ensuring consumers know their rights if they do experience disruption

The CAA provides consumer information and advice on air passenger rights, including guidance that captures the full passenger journey, from how to prepare for a flight to what to do if something goes wrong. When presenting this on-line, we have acted to maximise the likelihood that it is adopted in AI-generated responses to consumer questions, recognising consumers' desire to use AI agents and receive reliable and accurate information from them.

The CAA also undertakes a proactive programme of communications to ensure that passengers facing disruption are informed of their rights, including specific advice regarding current events such as the disruption caused by the Middle East conflict where consumer protections are dependent on the nationality of the airline, the route and whether the flight forms part of a package holiday. We have also commissioned and issued guidance⁴ for use by airlines to better understand the impact of their communications during disruption and how to better meet the needs of affected consumers.

³ [CAP3213: Wave Fourteen: UK Aviation Consumer Survey: Full Survey Report | UK Civil Aviation Authority](#)

⁴ [CAP3148: Airline Communication with Passengers During Disruption](#)

Enforcement Shortcomings

The CAA recognises that effective enforcement is essential if consumers are to feel that regulators are on their side. To tackle this we will:

3. Actively undertake a deep dive assessment of airline **compliance** with refund, assistance care and redress measures obligations

Last October, the CAA launched a compliance programme with a specific focus on how airlines meet their obligations under Assimilated Regulation (EC) No 261/2004 ('UK261').⁵ This legislation provides protections and assurances that consumers will be looked after in the event of flight disruption, providing confidence to consumers that they will not face unexpected financial costs.

The first stage of this programme examines how the largest 25 airlines flying from the UK, alongside selected regional airlines, provide care to passengers when flights are disrupted under Article 9 of UK261. The intention of this programme is to ensure that airlines are in compliance with their obligations and providing the appropriate protections to their customers. As the programme progresses, we will publish updates at relevant points on the CAA's website.

In the context of wider cost of living pressures and increasing volatility affecting international travel, UK261 provides a vital safeguard to consumers that they will not face unexpected financial costs in the event of flight disruption. However, the CAA is also cognisant that not all consumers facing disruption will benefit from the protections offered by UK261, particularly where consumers face such disruption when they are travelling from outside of Europe on non-UK/EU airlines, and we are therefore also committed to producing clear advice and guidance when specific disruption events occur.

We also plan to increase our engagement with regulators across Europe, sharing trends we identify as part of our compliance programme and learning from work undertaken by them, to ensure that UK261 and EU261 enforcement is complied with by airlines across Europe – benefiting UK passengers at both ends of their journey.

4. Undertake a review of airport compliance with regulations to **assist disabled and less mobile passengers**

The CAA also works to ensure fair access to all, through its enforcement of regulations that ensure disabled passengers and passengers with reduced mobility are treated fairly. This provides confidence to consumers who might otherwise be made vulnerable by the physical environment associated with air travel and ensures that this essential service is available to all.

While our Airport Accessibility Framework was the first of its kind in Europe, we are conscious that it is over 10 years since its introduction. As such, and in line with a recommendation from the Aviation Accessibility Task and Finish Group report, we are currently undertaking a review of this framework to ensure that it continues to drive practices by airports that appropriately

⁵ [UK261 Compliance Programme into air passenger rights – 2 October 2025 | UK Civil Aviation Authority](#)

support disabled and less mobile passengers. We plan to consult on new proposals in the summer, with a planned implementation date of April 2027.

5. Conduct a review of **Alternative Dispute Resolution** (ADR) oversight in Aviation

In February 2026, the CAA published a third-party review of the two CAA-approved aviation ADR schemes (Aviation ADR and CEDR) to ensure they operate effectively so consumers can resolve disputes and receive redress where necessary. The review found that both schemes deliver consistent, generally timely and efficient dispute resolution, with appropriate adjustments for vulnerable consumers.

The review also set out ten recommendations to improve the speed and integrity of decision making, ensure appropriate support for users of ADR and strengthen oversight and feedback mechanisms. A number of steps have already been taken to implement some of the specific recommendations relating to systems and processes and consumers are already benefiting from these changes. Over the next year we will consider the other recommendations further, alongside updating our ADR policy and related decision guidance, to strengthen oversight and consistency. We intend to consult on updates to our ADR policy and will engage with agencies who oversee similar provisions so we can incorporate lessons from other sectors.

It is worth noting that, following the changes to ADR brought about by the Digital Markets Competition and Consumers Act 2024, the CAA's ability to apply our own policies that meet the needs of aviation passengers is dependent on a statutory instrument being passed to provide for the CAA being re-designated as an accreditation body with the appropriate conditions. We understand that this should be achievable before the end of the year.

6. Continue to ensure that **ATOL provides confidence to consumers** when booking their holidays

Through its management of the Air Travel Organiser's License (ATOL) scheme, the CAA oversees the adherence of insolvency protections for passengers booking flight-inclusive holidays. This ensures that consumers will be repatriated if they are already at their holiday destination or receive a refund of monies paid in advance of travel in the event their tour operator fails. This removes the risk of consumers facing substantial, unplanned costs or being stranded abroad. The ATOL Claims Portal supports the customer claims management process providing a route for consumers to submit claims quickly and securely when an ATOL holder fails, enabling the CAA to process and pay valid claims efficiently.

The CAA actively oversees compliance with ATOL requirements, including financial fitness. This supervision helps to identify risks early and supports the overall resilience of the sector. In doing so, the CAA contributes to a stable and competitive market that delivers value for money for consumers while protecting them from the most severe consequences of business failure. The CAA is also working with the DfT on ATOL Reform to strengthen the financial resilience of ATOL holders, which should contribute to reducing the risk of travel provider failures and thus improving consumer protection.

In the context of wider cost of living pressures and increasing volatility affecting international travel, insolvency protection remains a vital safeguard to ensure that consumers can continue to access holidays and travel opportunities with confidence.

Legal and Regulatory Landscape

The CAA recognises concerns that market-shaping enforcement cases can take too long to conclude and the impact this has on consumer confidence. As we have noted in responses to

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consultations by the Department for Transport and the Department for Business and Trade,⁶ the CAA's consumer protection enforcement powers are limited compared to other consumer regulators and create an obstacle for the CAA in both investigating and being able to rectify the consequences of breaches. This is an area where the Government could further support the CAA and the sector.

In this context, the CAA welcomes the Government's commitment, set out by the Transport Secretary in the written ministerial statement accompanying the publication of the independent review into the NATS technical failure in November 2024, to consider measures to strengthen aviation consumer protection. This includes the potential to grant the CAA additional enforcement and information gathering powers, including the ability to apply financial penalties, and to mandate ADR for all airlines operating in the UK. These reforms will create an environment where aviation businesses are held accountable through mandated access to redress for individual consumers and an effective enforcement regime underpinned by clear and effective incentives, including the possibility of fines, for businesses to comply with the law.

The CAA also recognises that consumers experience air travel as a single, end-to-end journey, while responsibility for oversight is shared across multiple bodies. These include regulators responsible for advertising, consumer credit and payments options, surface access to airports and a wide range of commercial interactions throughout the travel experience. Accordingly, the CAA works closely with other regulators and enforcement bodies. This includes through active participation in the UK Regulators Network (UKRN), regular engagement with the Competition and Markets Authority (CMA), including as a member of Consumer Concurrency Group, as well as collaboration with the Chartered Trading Standards Institute (CTSI) on a range of issues.

Maximising the positive impact of artificial intelligence

We also recognise that the landscape is evolving rapidly. The increasing use of digital tools, including artificial intelligence (AI)-driven search, comparison and complaints platforms, can empower consumers by improving access to information and redress routes. In particular, there is significant potential for agentic AI to reduce friction, expand consumer choice and improve decision-making across the passenger journey, provided it is clearly aligned with consumer interests and outcomes, empowering customers to select services better suited to their needs. As such, there is potential for significant consumer benefit where AI can improve transparency.

However, these tools also carry risks where information is incomplete, inaccurate or overly generalised. It will be critical to have clear rules around data use, and safeguards against exploitation if AI tools are to operate as genuine consumer aids. For example, there is a risk that AI agents could be influenced or sponsored by commercial interests, so ensuring that AI tools operate independently and prioritise consumers outcomes will be essential to maintaining trust and protect effective competition.

The CAA's approach to AI⁷ is grounded in protecting consumers and is aligned to the CMA's AI principles⁸. As AI impacts grow in our sector, the CAA's priorities will be: to seek assurance that vulnerable consumers are adequately protected and that consumers know where to go if they experience issues with commercial use of AI by businesses; and to better understand the

⁶ <https://www.caa.co.uk/about-us/consultations/our-responses-to-external-consultations/>

⁷ [Protecting consumers in a future world of AI enabled aviation simple](#)

⁸ [AI Foundation Models: Update paper - GOV.UK](#)

role that AI can play as an agent for consumers, including any necessary routes to resolve problems and gain redress if these lead to consumer harm.

As these are cross -sector issues, we will continue to work closely with Government and the CMA given their lead on wider considerations in this area and building on the CMA's ongoing considerations of AI enabled consumer harm⁹. By working together, this will provide us the best opportunity to understand the risks and opportunities and ensure that innovation supports, rather than undermines, informed consumer choice.

Summary

In summary, the CAA remains committed to supporting consumers in the aviation market, ensuring they are able to make appropriate choices for their circumstances, are looked after by businesses when required, and are able to gain redress if things go wrong. We would welcome continued engagement with Government as this work progresses, including on the role of data and emerging technologies such as AI.

Yours sincerely



Rob Bishton
Chief Executive
UK Civil Aviation Authority



Sir Stephen Hillier, GCB CBE DFC
CHAIR

⁹ [AI and collusion: frontiers, opportunities and challenges – Competition and Markets Authority](#)