



**Minutes of 10th CAA Consumer Panel Meeting
Wednesday 11th June 2014 1-4pm**

Present:

Keith Richards (KR)	Chair
Sarah Chambers (SC)	Panel Member
Philip Cullum (PC)	Panel Member
Ann Frye (AF)	Panel Member
Steven Gould (SG)	Panel Member
Alastair Keir (AK)	Panel Member
Robert Laslett (RL)	Panel Member

Invited guests:

James Tallack (JT)	Principal (PPT), CAA
Phil Roberts (PR)	Head of Airspace, Air Traffic Management & Aerodromes (SARG), CAA
Troy Preston (TP)	Head of Business Management (SARG), CAA
Padhraic Kelleher (PK)	Head of Intelligence, Strategy & Policy (SARG), CAA

Apologies:

Crispin Beale (CB)	Panel Member
Anthony Smith	Panel Member

Meeting minuted by James Tallack

Aviation safety

1. The Panel was asked to consider two key issues that had been identified following the February 2014 meeting when the Panel received an introduction to the work of the Safety and Airspace Regulation Group (SARG): the information that consumers should have access to about safety performance; and how consumer attitudes to aviation safety should be understood and used to inform policy.
2. Members made the following comments on consumer information:
 - 2.1. The CAA needs to come to a position on what the consumer expectation of safety is in the regulatory context. Is it: that 'quality' differences are to be expected between airlines (and, if so, is the variance statistically significant)? Or is it that safety is ensured/guaranteed whoever they fly with? If it is the latter, how important is jurisdiction? Are consumers' expectations global (i.e. worldwide), supranational (e.g. within the EU) or national (e.g. within the UK)? If there is evidence that another country is regulating to a much lower standard than the UK and/or EU then it is surely in the consumer interest that they know about this.

- 2.2. Could the CAA do more to promote awareness of the EU blacklist? With more people travelling around the world, they should be able to easily go somewhere and find out who's on the blacklist. Is it possible that blacklisted airlines could be codeshare partners of a non-blacklisted airline? If an airline 'became' blacklisted, would it drop out of an alliance? Relatedly, could you buy a through ticket on a website operating in the UK that involves an 'approved' airline for the A>B leg but a blacklisted one for B>C? What role could information play here? Whose responsibility is it?
 - 2.3. Are there any lessons that could be learnt from other safety regulators in terms of how safety information should/could be communicated to consumers? Are there models elsewhere in Europe/US that the CAA could look at? For example, the FAA shows incidents per flying hour on its website.
 - 2.4. CAA needs to pre-empt any challenge that it has 'something to hide' by not being fully transparent. If it fears that transparency could undermine culture of open reporting which benefits consumers far more than access to information, then it should be clear on this point.
 - 2.5. Could more transparency promote best practice? For example, if CAA is able to be clear that you have to meet stringent standards just to be in the market, then is there a case to be more transparent about who is the 'best of the best'? This would be more about leveraging reputational concerns than informing consumer choices (i.e. nobody wants to be last). However, in a competitive market it could be a problem putting information out there when everyone is already meeting all the rules (e.g. the Food Standards Agency faced the same dilemma with 'scores on the doors' – all are 'passes' but there are differences between them).
3. Members made the following comments on understanding consumer attitudes:
- 3.1. To what extent are consumers being involved in the decisions the CAA makes, particularly to help inform the inevitable trade-offs (e.g. a marginal improvement in safety at significant extra cost)? This can help legitimise and improve decision making. As well as engaging consumer groups, the CAA should think about engaging consumers directly, e.g. using deliberative research to help take them through the dilemmas being faced. Don't have to follow what the research concludes, but it provides valuable insight into what consumers are thinking. Sometimes regulators are criticised for a decision not because it was the 'wrong decision' but because they failed to communicate the trade-offs and bring people affected by decisions into the debate.
ACTION: The CAA recognised the value of this insight. While some topics are deeply technical, there are also some significant subjects where the CAA goes out for formal consultation but is not convinced that it seeks the consumer perspective adequately. CAA to consider the areas where a consumer dialogue would be genuinely valuable and report back to the Panel.
 - 3.2. From a passenger perspective, security may be more important in their thinking than airworthiness (e.g. if an aircraft is going to fall out of the sky). If research is going to be done then it should be in this area. (PR - security v different, fundamentally we know risk in

safety but in security may not know, don't make the policy but apply oversight element on behalf of DfT, make sure things happen whatever the rules may be).

4. KR concluded the discussion with the following points:
 - 4.1. The Panel recognises that providing more info to consumers could be counterproductive as consumers may not be able to manage the information, it could be meaningless and/or put them off flying.
 - 4.2. Really encourage the CAA's moves to do more in terms of facilitating better sharing of best practice within the industry and between industry-players as this is clearly in the consumer interest.
 - 4.3. However, the CAA also needs to do more to understand what concerns consumers – the evidence base is not there at the moment and is needed. For example, if there's a perception – unfounded or not – that LCCs' tight turnaround times are causing safety risks then the CAA needs to respond to this, even if it's just providing reassurance. Otherwise the operation of the market could be impaired.
 - 4.4. The unknowns (i.e. safety practices outside the UK and EU) do need to be considered – the low hanging fruit might be greater publicity around the EU blacklist and the CAA's information powers may have a role to play here.
 - 4.5. A more strategic process will reduce unnecessary regulation and costs, so there's an interest in targeted risk-based regulation informed by consumer perspectives and there are good signs that CAA is moving in this direction, especially in terms of breaking down the silos within CAA by putting consumer risks at the forefront

ACTION: CAA to consider how the outcomes of SARG's discussions with the Panel on safety could be presented to the CAA Board.

Complaints handling and redress

5. JT provided a brief update on the CAA ExCo's response to the paper on complaints handling that was considered at its June meeting. Essentially, the majority of ExCo supported the Panel's view that CAA should regulate complaints handling rather than handling complaints itself. However, there was some concern about airlines opting out if CAA withdraws from complaints handling, or joining substandard schemes. As such, the ExCo discussion focused on how the CAA could ensure good outcomes in a 'voluntary' ADR environment. Members made the following comments:
 - 5.1. With no chance of further primary legislation, this reinforces the opportunity that was missed with the 2012 Civil Aviation Act to reform complaints handling and redress in the sector. It is frustrating how long it has taken to get the CAA Executive to consider this issue – this decision is about the essence of consumer protection, so why was it not always seen as a decision for the board?
 - 5.2. There is far too much concern about what the Directive says in terms of the legal framework, and the fear of reaction from airlines. The implementation of the ADR directive

and developing a strategic complaints policy that goes in a different direction are not mutually exclusive: it's about taking a long-term view and making the most of political opportunities when they arise. For example, if CAA had a policy on what 'good' looks like, then it could publish the names of companies that had taken an inferior approach rather than follow CAA's policy. This would fuel competition and choice.

- 5.3. If the CAA believes it doesn't have the powers to do what it wants to do in the consumer interest, politicians should be made to decide. Making it a political decision will 'de-risk' the regulator in the public mind.

ACTION: It is essential that the Panel understands the way forward post-ExCo. JT to provide update ahead of the next Panel meeting.

Other issues

6. The Panel discussed its role with regard to consultations. It agreed that wherever the CAA was responding to an external consultation with a strong consumer interest dimension it should be consulted and the opportunity for the Panel to respond directly within the CAA's response (as it did on the consultation on the future of CCNI) should be considered. On CAA consultations, it was recognised that the effective involvement of the Panel should be involved in the early stages of policy development should help ensure that the CAA consults on the basis of a sound understanding of the consumer interest.
7. KR attended a meeting of the chairs of other consumer panels, which considered particularly the issue of consumer vulnerability as an indication of market failures. The aim is to ensure that the learning from work done in other sectors on what is a common theme is shared, to avoid reinventing the wheel. KR also attended a roundtable of consumer advocates facilitated by Which? aimed at ensuring the new UK Regulators Network is an effective voice for the consumer interest.

ACTION: KR to circulate outputs from these meetings.

8. SC and RL attended a CAA workshop on airport capacity expansion and financing. The workshop was quite narrow in scope and more notable for what was not said. However, the CAA will have to engage with the real issues soon and at this point the Panel should be engaged.

ACTION: The Panel will review and respond to the CAA's discussion paper.

9. KR explained that the CAA wished to engage the Panel on the development of its next Strategic Plan (2016-21), particularly the development of a model to identify consumer risks and how these might change in an uncertain future. Members agreed that this was a good use of the Panel but queried the term 'consumer risks' (as the CAA should also be concerned with exploiting opportunities).
10. AK and KR summarised the main findings from their recent visit to Heathrow to see the new T2:



10.1. Members were concerned that CAA may have drafted the licence conditions on 'fast track' security lanes wrongly as Heathrow had said that they are prohibited from using them in disruption, even though no airlines are currently paying for exclusive or semi-exclusive use of them. The CAA could be exposing itself to public criticism if there is disruption and the lanes cannot be used to alleviate queues (particularly if this is picked up in the press).

ACTION: JT to clarify who is paying for the lanes and update the Panel.

10.2. KR said that Heathrow acknowledged they needed to improve wayfinding and that it didn't feel like disabled users had been engaged in the design of the Terminal.

End of minutes