

Consumer Panel minutes

1-4pm Thursday 30 April 2015

Attendees

Consumer Panel

Keith Richards (KR)	Chair	Alastair Keir (AK)
Crispin Beale (CB)		Robert Laslett (RL)
Philip Cullum (PC)		Anthony Smith (AS)
Sarah Chambers (SC)		

Invited guests

James Tallack (JT)	CAA (PPT)	Iain Osborne (IO)	CAA (MCG) ¹
Beryl Brown (BB)	CAA (MCG) ²	Peter Kirk (PK)	CAA (AvSec) ³
Dan Edwards (DE)	CAA (PPT) ⁴	Pedro Pinto (PP)	CAA (MCG) ⁵
David Elbourne (DEI)	CAA (AvSec) ⁶	Jonathan Sharratt (JS)	CAA (PPT) ⁷
Tim Johnson (TJ)	CAA (PPT)		

Apologies

Steven Gould	Ann Frye
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Minutes by James Tallack

CAA Strategic Plan 2016-21

DE updated the Panel on the CAA's emerging thinking on the outcomes, risks and themes that should be at the heart of the CAA's 2016-21 Strategic Plan and stated the CAA's wish to consult the Panel further on the development of the Plan in June and September.

Key comments/responses/questions

- The CAA's commitment to systematically engage the Panel in developing the Plan was welcomed. The importance of getting the Panel involved at the right time so it could meaningfully input on the Board's thinking was underlined. A copy of the CAA's risk principles was requested in order that the Panel can better understand the CAA Board's risk appetite.
- In developing the Plan, the CAA must think beyond its current statutory framework. If there are issues in the market that the CAA lacks the necessary statutory powers to

¹ Did not attend aviation security item

² Attended for surface access item only

³ Attended for aviation security item only

⁴ Attended for Strategic Plan item only

⁵ Attended for surface access item only

⁶ Attended for aviation security item only

⁷ Attended for Strategic Plan item only

resolve, the CAA should seek statutory change. Conversely, the CAA should also routinely consider whether there are activities it carries out that others would be better placed to perform, with ATOL and complaint handling cited as examples.

- On the formulation of an overarching purpose for the CAA, the Panel suggested that the 'consumer' dimension of any future 'strapline' should accentuate the positive by emphasising the promotion of consumers' interests over consumer protection. The CAA's obligations to current and future consumers should also be made explicit – this issue is particularly pertinent in the debate around runway capacity. The Panel also asked whether it was necessary to mention the public as a key stakeholder, as it was presumed that by focusing on consumers any negative safety externalities would be contained. It was recognised that consumer interests and broader environmental interests were not always aligned, such as on noise and emissions; however, the CAA's environmental role was considered quite minimal.
- The Panel agreed that it is important to clarify which consumers the CAA has obligations towards and recognised that this could be different in different contexts. It was agreed that the CAA had a legitimate interest where there was a UK dimension to the specific consumer activity the CAA is seeking to regulate or influence, but this did not necessarily mean UK residents had to be affected.
- It is essential that the Board has confidence that the Plan is deeply rooted in the consumer experience. The Panel would like to understand how the CAA will ensure that it is focusing on consumers' priorities for improvement and not things that consumers don't care about. More work needs to be done on the role that consumer research will play in defining the parameters for the Plan and the measures that the CAA will use to systematically assess whether consumers are getting the outcomes they want.
- On future trends affecting the CAA's risk picture, it was felt that the risks presented by an ageing population were particularly pertinent in aviation, but that this was not given enough emphasis in the PESTLE analysis.
- Although the principles are generally sound, the CAA needs to move away from simply echoing the highly political language of Better Regulation. More appropriate language for an independent regulator's strategy would be something like 'evidence based analysis and policy making'.
- On the strategic theme of empowering consumers through information, while it is important that the CAA has a clear published policy statement for carrying out its information duties, it needs to understand what information serves the interests of consumers. It must take a robust and challenging approach to ensuring that relevant, useful and timely information is made available to consumers, working with industry to achieve this.

Actions

- JT to circulate the CAA's risk principles to the Panel.

Surface access at UK airports

BB and PP updated the Panel on the work the CAA is doing to understand market conditions and the consumer experience in relation to how consumers access UK airports by surface

transport. They explained that the CAA would be launching a sector review looking primarily at the structure of the road access market, including airport parking, and the transparency of consumer information about parking and access costs. The sector review will formally commence with a call for evidence (CfE), which will be published in late 2015.

Key comments/responses/questions

- The Panel noted the CAA's intention to hold informal bilateral meetings with stakeholders before publishing the CfE. The length of any 'pause' to gather evidence before publication is critical. Specifically, as CAA has no powers to compel the provisions of information there is a risk that businesses (particularly airports) could use delay and obfuscation tactics to frustrate progress. The CAA will need to be very robust if it is to make progress before the end of the current year.
- If the CAA takes an informal approach in the first phase then it should be flexible enough to respond to what stakeholders tell it, e.g. adding or taking away issues depending on what it is told.
- In terms of the scope of the market the omission of rail from the review feels arbitrary from the consumer perspective. If rail is a possible choice for getting to an airport then it should be in scope, irrespective of CAA not having powers over rail operators as any issues can be forwarded to the relevant authority (ORR primarily). Some potential sources of rail-related consumer detriment were cited:
 - The apparent active 'promotion' by certain airports of a particular rail service over other rail operators; and
 - Tie-ins between airlines and surface transport companies, including rail operators, and the transparency of such 'offers'.
- The scope of the market will need to be formally defined, as if the CAA ends up doing a competition investigation this will be asked for. There is some limited evidence that surface access may not be a market at all - as access options may be a key driver of airport choice - but this needs to be bottomed out. Quantitative research is unlikely to pick up the nuances of consumer decision making, so a qualitative approach should be taken – around 10 focus groups should be sufficient. A further advantage of carrying out consumer research is that it can be used as a powerful catalyst for discussions with stakeholders.
- Choice of airports - focusing on the nine biggest airports gives excellent market coverage, but does it give enough diversity in terms of airport access 'profiles'? If road transport access is the key concern then do we have any airports in the sample where road is the only real option for getting there? There seem to be two key questions that need to be answered: is an airport dominant due to (i) behaviour (e.g. excluding competitor access to its forecourt for commercial reasons; tacit collusion on car park pricing); or (ii) local circumstances (e.g. lack of other modes competing against road, airport too small to support more than one parking operator etc.)?
- Disabled access - an issue that is not covered is that airports do not face strong enough incentives to develop transport options for those who find it difficult to travel by car as their car parks are such valuable resources and they don't want to cannibalise them.



Aviation security

The Panel received an introductory presentation on the CAA's aviation security functions..

Key comments/responses/questions

- The Panel welcomed the opportunity to work with the CAA to ensure that the consumer interest is well understood in the way it meets its new responsibilities for the regulation of aviation security.
- The CAA needs to develop a detailed understanding of consumer attitudes to security and the recent CAA consumer research provides some good data as a starting point. The Panel urged the CAA to explore some of the issues raised by the research in greater detail and track consumer perceptions and experiences over time.
- A key concern includes the apparent inconsistency in security procedures between different airports and in different countries. While unpredictability is a logical part of the security regime, there is a sense that no-one is explaining to consumers why things happen the way they do. And when there are changes to security procedures or the introduction of new measures it is crucial that the CAA understands how these might impact on particular kinds of passengers.
- The treatment of people with disabilities and older people is a key issue. There are concerns about the potential for indignity and insensitivity in security searches, the lack of basic comfort needs such as somewhere to sit down and take off/put on shoes, and the reluctance of people with 'invisible' disabilities (such as cognitive impairments and mental health issues) and of the older people to identify themselves as needing assistance.