



**Minutes of 8<sup>th</sup> CAA Consumer Panel Meeting  
Monday 10<sup>th</sup> February 2014 1-4pm**

Present:

Keith Richards (KR)	Chair
Sarah Chambers (SC)	Panel Member (para 1)
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)	Senior Consumer Policy Adviser, CAA
Tim Johnson (TJ)	Head of Policy (PPT), CAA (para 1-2)
Troy Preston (TP)	Head of Business Management (SARG), CAA (para 1)
Padhraic Kelleher (PK)	Head of Intelligence, Strategy and Policy (SARG), CAA (para 1)
Ben Alcott (BA)	Programme Director: Enhancing Safety Performance, CAA (para 1)
Phil Roberts (PR)	Head Airspace, Air Traffic Management & Aerodromes, CAA (para 1)
Tony Rapson (TR)	Head of General Aviation Unit, CAA (para 1)
Graham French (GF)	Programme Head (PPT), CAA (para 2)
Nic Stevenson (NS)	Principal (PPT) CAA (para 2)

Apologies:

Crispin Beale (CB)	Panel Member
Mark Swan (MS)	Group Director, Safety and Airspace Regulation, CAA

Meeting minuted by James Tallack

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**Introduction to the CAA's safety work**

1. The Panel received a series of presentations from the Safety and Airspace Regulation Group's (SARG) Leadership Team on: SARG's structure and objectives (TP); the UK aviation sector and its approaches to safety management and safety performance (PK); the CAA's transition to a system of performance based regulation (BA); the Future Airspace Strategy (PR); and the changes to the regulatory framework for general aviation (TR). The Panel made the following observations/comments:

- Given that consumers pay the cost of regulation, it's important to understand what regulation adds in the case of safety incidents where it is clearly in the interests of an airport and its airline customer to prevent it happening again. PK explained that CAA has

a role to play in collecting and sharing information to ensure that the same or similar incidents do not occur elsewhere in the system.

- Consumers are frequently confused about whether decisions that impact on their travel plans are taken for safety reasons or not and could benefit from clearer and more timely communication by the aviation industry, potentially with support from CAA on both the safety and market regulation side. Volcanic ash clouds are a recent example of confusion. In the future, there is the potential for significant consumer detriment as a result of the recent special categories of passengers (SCPs) proposed by EASA if these allow airlines to exclude passengers on dubious safety grounds. The Panel also asked whether there was scope for greater input from the CAA into the scheduling of flights in different weather conditions in order to help alleviate disruption, for example moving to a different protocol if certain weather-related criteria were met.

**ACTION:** The Panel would welcome clarification from CAA on how it approaches issues like this.

- The Panel noted that the CAA is only directly responsible for regulating the safety of UK airspace and the activities of businesses based in the UK and that more than half of the flights in and out of the UK are operated by foreign-based airlines. The Panel asked whether CAA had considered providing consumers with information about the safety performance of different airlines. This could be particularly useful to consumers where a UK airline is marketing a flight operated by a foreign-based partner airline (e.g. under a code-share or wet lease agreement). This would help ensure that consumers are better informed about whether an airline meets UK safety standards. BA said that the challenge was making minute differences in safety performance tangible enough to consumers to make choice meaningful. BA also said that data is only available to CAA for UK airlines, which makes comparisons meaningless and potentially unfair from a competition perspective.

**ACTION:** The Panel challenged CAA to explore how its new information duties could be used to obtain information about foreign airlines for the purpose of providing meaningful information about safety information to UK consumers. The Panel said it wasn't convinced that publishing incomplete information (i.e. UK airlines only) would not be beneficial to consumers and that publishing this information could prompt other national regulators to act.

- The Panel agreed that the CAA's transition to a system of performance based regulation, where it seeks to drive a more holistic approach (i.e. across technical boundaries) to safety within the organisations it regulates, is very appropriate given that consumers buy air travel as a single service, encompassing the entire value chain.
- KR said that the introduction to CAA's safety work was very informative and an essential part of the Panel's learning.

**ACTION:** It would be useful to arrange a further discussion focusing on issues that had not been covered, such as how CAA understands consumers' attitudes and preferences (including willingness to pay) where safety decisions are being taken that do not impact on airworthiness (i.e. the need to protect third parties and their property from

externalities) are concerned. The Panel challenged the CAA to develop a deeper understanding of overarching issues such as 'how safe is safe'; 'what do consumers want and/or expect in terms of safety/risk'; 'how much does the current safety regime cost consumers'; 'how much are consumers prepared to pay.'

## Airports Commission

2. The Panel received a presentation on the CAA's role in the Airports Commission from GF and NS and made the following observations/comments:

- The Panel noted that none of the CAA's proposed workstreams overtly mention the consumer.

**ACTION:** The Panel challenged the CAA to reposition itself as the voice of the consumer, rather than of airport, airline or other commercial interests. As part of this work the CAA should explore the scope for alignment between consumer and commercial interests in three key areas: (i) airline and passenger interests; (ii) incumbent and new entrant airline interests; and (iii) current and future consumer interests.

- The Panel pointed out that CAA is uniquely placed to bring together data on consumer behaviour and preferences with data on environmental and safety impacts and should consider developing a set of consumer interest criteria that would allow it to objectively assess the proposals currently on the table. GF stated that CAA would prefer to leverage its good working relationship with the Commission and ensure that it is assessing the proposals on the basis of the benefit each offers to the consumer, identifying gaps and research needs where appropriate.
- The Panel noted that the Commission's interim report indicated that there is likely to be a demand case for a second additional runway by 2050 as well as one additional runway by 2030.

**ACTION:** The Panel asked what consideration the CAA had given to whether it should publically support the Commission's finding with regard to capacity demand by 2050.

- The Panel said it would be a mistake not to learn the lessons of the past and not stipulate that there should be a certain amount of slack in the system to mitigate the effects of disruption.

**ACTION:** The Panel challenged the CAA to look carefully at the issue of how any new runway capacity would be utilised.

- The Panel agreed that the Gatwick proposal made a number of significant assumptions about future consumer demand and preferences and that the CAA could play an important role in helping the Commission understand whether a second runway at Gatwick would be in the consumer interest, for example by establishing the parameters of the research and analysis the Commission would need to carry out.

**ACTION:** The Panel asked the CAA to keep it updated on its work to help the Commission understand the consumer interest case for a second runway at Gatwick.

### Update on other issues of interest to the Panel

3. The Panel briefly discussed the update covering CAA work that the Panel has an interest in. The update, which was circulated with the papers for the meeting, covered: economic regulation (Q6); the CAA's information duties; the CAA's consumer strategy; consumer research; consumer vulnerability; complaints handling and redress; enforcement; and better regulation. The Panel made the following observations/comments:

- The Panel thought that a regular update was a good idea and should help the Panel identify where change is happening, whether this has been encouraged by the Panel or simply because CAA is doing the right thing in the consumer interest.
- The information duties policy statement feels a bit weak compared to the potential that the Panel sees for the powers have to deliver positive change for consumers. There is the sense that proposals have been watered down in some areas. This may be due to industry pressure or a lack of overt support, and it is important for the Panel to understand why this has happened.

**ACTION:** The Panel to feed back more detail on areas of concern to the CAA in order for the CAA to respond.

- The Panel remains very concerned about the CAA's approach to complaints handling, which feels tactical rather than strategic, particularly the returning of rejected compensation claims to airlines and the indication that CAA intends to seek accreditation as an ADR body, given the regulator's role in providing critical oversight of ADR providers. The Panel agreed that CAA lacks a strategic policy approach to how it handles complaints and that the Panel should push CAA to develop one as a matter of urgency.

**ACTION:** Item on complaints handling to be added to April's Panel meeting agenda with a view to forming a robust Panel position. This will be preceded with a meeting between a smaller group of Panel members and key CAA colleagues.

- The update on enforcement was very interesting and it would be good to get a better sense of the enforcement strategy and how it works.

**ACTION:** JT to circulate the enforcement policy to the Panel.

- The Panel asked JT to check why the research exploring why people don't fly was not mentioned in the update as broadening participation in air travel is a key focus for the Panel.

**ACTION:** JT to check and report back on this.

- KR said that BATA and BAR UK had asked him about setting up a regular roundtable. The Panel agreed that it was important to develop links with the airline community in the same way that the Panel had started to build links with the airport community through the AOA.

**ACTION:** JT/KR to speak to BATA and BAR UK.

- More generally, the Panel was concerned that it doesn't feel like consumers are particularly high on the list of CAA's priorities despite the "once in a generation



opportunity” brought about by the Civil Aviation Act 2012. More thought needs to be given to how the consumer interest is framed within the CAA’s strategic objectives as it still seems very silo-based. There is also a perception that CAA sees itself as funded by the industry rather than consumers, who ultimately bear the costs of regulation, and this needs to change. However, the Panel acknowledged that CAA is going through a process of cultural change and that recent cross-sectoral discussions hosted by Consumer Futures demonstrate how long it has taken other regulators to properly embed the consumer interest in their approach.

**ACTION:** KR will discuss with JT what the most effective way of raising the Panel’s concerns within CAA should be.

**End of minutes**