

Consumer Panel Minutes

11:30 – 16:00, 18 January 2024

Earhart Meeting Room and Teams

Attendees

Consumer Panel

Jenny Willott (JW)	Chair of the Consumer Panel
Jacqueline Minor (JM) <i>Teams</i>	Panel Members
Carol Brennan (CB)	
David Thomas (DT)	
Helen Dolphin (HD) <i>Teams</i>	
James Walker (J Walker)	
Jennifer Genevieve (JG)	
Rick Hill (RH)	
Miranda King (MK)	Secretariat
Alison Harris (AH)	Minute Taker

Invited Guests

Jeffrey Halliwell (JH) Agenda Item 3
Phil Cropper (PC) Agenda Item 3 *Teams*
Sarah Chambers (SC) Agenda Item 3
Pedro Pinto (PP), CAA Agenda Item 3
Paul Smith (PS), CAA Agenda Item 4 onwards
Iain Libretto (IL), CAA Agenda Item 5
Rob Bishton (RB), CAA Agenda Item 6
Greg Clement (GC), CAA Agenda Item 7
Nikki Circou (NC), CAA Agenda Item 7
Anna Bowles (AB), CAA
Helen Swanbury (HS), CAA
Jen Milner (JM), CAA

Apologies

VW gave his apologies for absence.

Declaration of Interests

The register of interests, as circulated before the meeting, were taken as read. Two changes to the register of interest were declared and the register of interests will be updated.

1. Chair's Update

- 1.1 JW provided a summary of meetings attended by the panel and work undertaken by panel members on areas including the CAA's enforcement powers and strategy. JW also provided a summary of forthcoming meetings and potential agenda items for future quarterly meetings.

2. Member Updates

- 2.1 RH attended a UKRN meeting on behalf of the CAA, primarily focused on the cost of living. It was a good networking event.
- 2.2 CB attended a Consumer Council meeting. One piece of research found that 94% of consumers thought refunds should be processed automatically.

3. Update on NATS Review

- 3.1 JW welcomed JH, PC, SC and PP to the meeting. JH explained that they are looking into finding the underlying causes which led to the NATS incident and how this might have been avoided as well as investigating communications, consumer impact and the aviation system response and how incentives and cost allocation work, and what changes to the policy and legislative framework should be made. They have met with NATS, CAA, airlines and airports and aim to produce an interim report by the end of this month with the final report being published in April/May.
- 3.2 They are keen to gather information about consumers' experiences. There was a discussion about a number of possible routes by which the NATS Review team could understand the experience of those affected by the incident, including organisations they could speak to and ways to analyse media coverage to identify further information and those affected. The absence of a statutory consumer body has hindered their work as the industry is not very joined up and the CAA has limited information powers.
- 3.3 There was discussion covering the following topics:
 - 3.4 CAA's consumer enforcement powers and information gather powers
 - 3.5 NATS' performance incentives relating to disruption, which do not cover cancelled flights
 - 3.6 Whether NATS' incentives adequately reflect the impact of disruption on the aviation system and its passengers
 - 3.7 The cost for passengers of paying for replacement flights, taxis and hotels prior to reimbursement, particularly vulnerable passengers
 - 3.8 The timing of communication from NATS about the need for delays and cancellations, and the impact on airlines' ability to bring in extra staff or resources early enough to mitigate the impact on passengers
 - 3.9 The reliance on apps to enable passengers to rebook, which can be difficult at an airport in a time of crisis, for passengers without a smart phone, significant credit or good reception, particularly vulnerable passengers and those who are not good with technology
- 3.10 Whether passengers were made aware of their rights and how they accessed this information.

4 CAA Update

- 4.1 PS joined the meeting. He began by advising that the demand still seems strong, with most airlines and tour operators fairly positive. Passenger numbers at Heathrow were higher in December 2023 than December 2019. Ticket pricing is likely to remain elevated, due to a strong demand with some difficulties in supply chains and capacity. Some airlines have wet-leased to compensate.
- 4.2 The industry is still seeing some challenges in complaint handling, speed and processes of ADR, which are a legacy of 2022 and 2023.
- 4.3 Wizz Air have been through all the claims and most consumers have now received payments. In some cases, Wizz is waiting for the passenger to confirm their bank details in

order to action the claim. Wizz Air need to check passengers' bank details as some cards may have gone out of date or bank details changed.

- 4.4 Economic Regulation team are planning to start the Heathrow H8 review this year. The press coverage of Heathrow's changes in ownership was discussed.
- 4.5 PS advised that he has resigned from the CAA and his last day is 18th April, the day of the next Consumer Panel meeting. The Panel members gave their best wishes and thanks for his work with the Panel.

5. CAA Approach to Risk Management and Consumer Risks

- 5.1 IL joined the meeting to advise the Panel on how the CAA approached risks management, the top consumer risks the CAA focuses on, and the mitigations for these. The risk management framework covers risks owned by the CAA (strategic and business risks, such as cyber-attacks) and risks that are owned externally by industry (consumer risks). For consumer risks, impact is assessed according to consumer detriment, the number of consumers affected and the degree to which consumers could be deterred from flying. Once identified, risks are assigned to an owner responsible for updating them, and AB leads on consumer risks.
- 5.2 The top risks are reported externally in the CAA's Annual Report and Accounts and external auditors also review the top risks.
- 5.3 The top consumer risks include aviation security; consumer experience, disruption and vulnerable consumers. Safety risks are reported separately.

6. CEO Update

- 6.1 RB was welcomed to the meeting. He provided an update on the following areas:
- 6.2 Aviation industry is forecasting record volumes next year as demand is high.
- 6.3 The CAA's Scheme of Charges consultation feedback.
- 6.4 The Boeing B737 MAX -9 (door modified aircraft) incident in the US, and the Japan Airlines A350 accident which occurred at the start of January.
- 6.5 There was a discussion on whether airlines could or should proactively compensate consumers, similar to the process for train delays. It was noted that this could be considered when an opportunity to review 261 Regulation arose in the future.
- 6.6 RB will provide an update on the recruitment of the CMG Director to replace PS at the next meeting.

7. ADR

- 7.1 The purpose of this session was to consider:-
 - the CAA's role and the data from the ADR bodies;
 - what can be improved; and
 - the action being considered
- 7.2 There is no mandatory ADR within aviation, which restricts CAA's ability other than to encourage airlines to sign up. Airlines operating the majority of flights in and out of the UK are signed up; with Jet2, Emirates and Vueling the main airlines who are not members of a scheme. ADR provides a legal mechanism which negates the need for passengers to go to Court.
- 7.3 PACT fees are part of the Scheme of Charges but are currently very low due to being charged per flight. It is planned to change this aspect. The charges of ADR, CEDR and PACT differ, as do the timescales. ADR bodies have three weeks to determine whether a claim is in scope and pass the complaint to the airline who have twenty-eight days to respond; ninety days to make a decision once they have a complete file with all the relevant information (which may

take a long time to compile); the airlines should pay within a reasonable time, interpreted as thirty days by AADR and twenty days by CEDR. The whole process can take one hundred and twenty days.

- 7.4 Since 2021 there has been a 9% decrease in overall passenger satisfaction, which is reflected in the increasing number of complaints to ADR. The vast majority of complaints relate to EU261.
- 7.5 The CAA has independent assessors' reports and do analyse those and have regular discussions. If an airline is not meeting their obligations, the CAA can remove them. The CAA charges an annual fee for the oversight it undertakes.
- 7.6 The CAA is considering undertaking an external review to look at complaints that go to the ADR bodies to consider whether they are appropriate, or and the way they are handled throughout the complaints process. This will review the quality of service provided to passengers by the ADR bodies and may provide insight into airlines' own complaints handling processes as well.
- 7.7 It was agreed that a follow up session on this would be useful as the Panel would like a further discussion.

8. AOB

Nil.