

# Consumer Panel Minutes

## 11:30 – 16:00, 6 July 2023

### Wright and Teams

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#### Attendees

##### Consumer Panel

Jenny Willott (JW)	Chair of the Consumer Panel
Jacqueline Minor (JM)	Panel Members
David Thomas (DT)	
Jennifer Genevieve (JG)	
Carol Brennan (CB)	
Helen Dolphin (HD) <i>Teams</i>	
Rick Hill (RH)	
James Walker (J Walker) <i>Teams</i>	
Vaughan Williams (VW) <i>Teams</i>	

Miranda King (MK)	Secretariat
Sally Bland (SB)	

##### Invited Guests

James Bell (JB) (item 5)  
Kit Beynon (KB) (item 7)  
Rob Bishton (RB) (items 3 & 4)  
Anna Bowles (AB)  
Michael Budge (M Budge) (item 6)  
Matt Buffey (MB) (item 6)  
Louise Chesterton (LC) (item 6)  
Cecile Durand-Agbo (CDA) (item 6)  
Ed Fitzpatrick (EF) (item 5) *Teams*  
Andrew Sephton (AS) (item 7) *Teams*  
Paul Smith (PS)  
Rob Stallard (RS) (item 5)

#### Apologies

There were no apologies for absence.

#### Declaration of Interests

The register of interests, as circulated before the meeting, was taken as read. No new interests were declared.

## 1. Chair's Update

JW welcomed those present to the meeting and introduced MK, who was covering FW's sabbatical. She reported that Alison Harris would be supporting the Consumer Panel from September.

The minutes of the quarterly Panel meeting, held on 26 April 2023, were agreed. Any further comments should be emailed to SB and MK prior to publication. The dates for 2024 had been circulated and were included on the agenda.

JW detailed some of the work that had been taking place since April as follows:

- Some text had been included in the CAA report on delivering the growth duty, as although the growth duty is outside the Panel's remit, the Panel had made some contributions.
- JW had attended ExCo and Board meetings in June where consumer issues were discussed. The Consumer Strategy would be submitted to Board in July.
- JW had attended ExCo PIE regarding the Airline Accessibility Framework and the website audit.
- The [Consumer Panel Annual Report](#) had been presented to the Board and a very good discussion had been held regarding how to embed consumer issues across the organisation.
- The Airport Operators Association (AOA) had reached out following publication of the Annual Report, and a meeting had been scheduled.
- Revised sub-groups had been prepared by FW and circulated. Any questions/updates should be emailed to MK before finalisation.
- JW, had met with Tim Johnson, as well as having regular meetings with PS and AB.
- JW and Ruth Mallors-Ray had discussed the challenges of embedding the work of the Panels and the need to collaborate as panels on environmental sustainability topics of mutual interest.
- Freya Whiteman, AvSec and DfT were looking at the messaging around new security rules for liquids and scanners at airports. This would be presented to the Panel in the autumn.
- A meeting with *Which?* had been held in June regarding ADR, complaints handling and accessibility.
- JW and HD had taken part in a Ministerial round table discussion on accessibility in aviation, which had included the lived experiences of participants with disabilities.

## 2. Member Updates

JW invited updates from members on the work of the sub-groups and other developments since the April meeting and the following points were raised:

- DT and JM reported back from a NERL workshop where they had gone through the pack being presented to the Board. Service quality indicators, the potential impact of industrial action and the capex envelop had been discussed.
- As part of the airlines' website audit, a 'speed dating' session was organised by Hassell Inclusion. This proved very useful and a similar session could also be carried out in relation to the CAA website. The airlines' responses on the website audit had been generally very receptive, with some exceptions.
- The Accessibility sub-group held a session on the Airline Accessibility Framework in June and HD, CB and JW had taken part. They had gone through the associated documents and provided feedback, mainly around defining quality standards.

### 3. CAA Interim CEO Update

RB provided the Interim CEO Update, detailing the developments in the CAA over in the past few years and discussing the key issues for the interim CEO period as follows:

- The legacy of Covid and learning from the unprecedented challenge.
- Consumer issues and refunds.
- Airlines, flight delays and cancellations with a particular focus on the impact on vulnerable passengers
- The impact of the EU exit and the REUL Bill.
- The arms-length body review, due to be published the following Monday, which was expected to recommend more consumers powers for the CAA.<sup>1</sup>
- Ground handling from both the economic side and safety side.

JW thanked RB for his update and support of the Panel.

### 4. CAA Update

PS updated those present on some key areas of work for the CAA and the following points were raised/discussed:

- The wording of the Consumer Strategy had been sharpened to provide greater focus.
- More powers for the CAA would be a positive outcome for the organisation.
- Results of the Aviation Consumer survey suggested that more data on first tier complaint handling was needed. This may require additional powers for the CAA to access the information.
- Some airlines were more transparent than others on initial complaint handling and could be highlighted as good practice. In addition, some airports did not deal with complaints effectively. Comparing complaints data was useful but it was noted that some businesses were better at recording complaints handling than others so data may not be easily comparable.
- Engagement with colleagues in SARG on issues, such as family seating arrangements which were not just related to safety were discussed. It was agreed that inviting a member of the Cabin Safety Team to speak to the Panel would be beneficial.

### 5. Artificial Intelligence (AI) Update

RS, JB and EF joined the meeting to provide an update on the CAA's AI strategy. The discussion covered the following topics:

- The different examples and scale of AI (narrow and broad AI)
- Automation vs. Autonomy vs. AI, direction of travel and developments.
- The increased safety, capacity, efficiency and environmental protection opportunities offered by AI.
- The threats including the challenge to the safety status quo, level of data, failure situations and accountability.
- The Sheridan Scale 'Levels of Automation (currently around level 5), legal and ethical challenges.

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<sup>1</sup> <https://www.gov.uk/government/publications/civil-aviation-authority-public-body-review-terms-of-reference/civil-aviation-authority-review-report>

The Panel discussed the human factors in safety and reliance on automation and it was noted that further discussion on these areas was needed with the Law Commission and others. The amount of data involved and potential risks of criminal access were also raised.

JB led a discussion on what AI should mean from a regulator's perspective. He grouped the AI opportunities into three areas of interest: what we regulate (AI tools), how we regulate, and how we operate (tools and methods).

A CAA-wide AI Strategy would be prepared for mid-2024 and would include clarification of the governance arrangements and key principles.

The arrangements with other countries/designers were discussed and it was noted that there was significant engagement underway internationally. In the EU, the AI Act would prevent development going beyond Level 5, and the US was likely to align with that. In the UK a set of principles was being developed.

There was discussion about the opportunities as well as the challenges created by AI.

JW thanked the team for their presentation.

## **6. ATOL Update**

MB, M Budge, LC and CDA joined the meeting to provide an update on ATOL Reform.

MB explained that no formal decision had been taken, as the decision is for within the Government, however he laid out more detail on the options still being considered, following public consultation. The options for reform had been greatly reduced following analysis of the most recent feedback from stakeholders.

LB went through the options from the first consultation that had been proposed for deselection along with the sifting criteria that had been used:

- Financial markets option had failed against feasibility criteria.
- Options requiring all ATOL holders to use a singular type of financial security was insufficiently flexible and not consistent with the PTRs.
- Mandatory client account options could result in a high financial burden on ATOL holders, who might then exit the market, reducing choice for consumers.

A risk-based approach with a mandatory minimum that promoted financial resilience was the emerging preference being taken forward. This would include enhanced reporting by ATOL holders, and a more effective enforcement toolkit. It could be implemented through secondary legislation.

A variable APC, dependent on the value of the holiday, was generally supported by feedback though a flat rate is simpler for consumers to understand. Options for discounts for some ATOL holders, tapering or banding would be given further consideration.

Some concessions for smaller ATOL holders were also being given further consideration and the level of liquidity in the ATT fund was under discussion.

Panel members noted the progress made and agreed the direction of travel as presented. In terms of the timescale, it was hoped that final options would be prepared by the end of the year.

CDA provided an overview of ATOL booking trends. She explained that in comparison with 2019 figures, passenger numbers overall had recovered despite price increases. There were some exceptions in specialist areas of the market.

In terms of the challenges ahead, CDA explained that there was still a legacy of Covid in terms of the debts that many ATOL holders had taken on during that time. Since that time, the cost of living had also had an impact.

M Budge explained that the risk landscape was improving, but the financial position remained fragile with high liabilities to pay back. This was particularly the case for smaller businesses. Proportionality and impact were therefore key considerations from a CAA ATOL decision making perspective. Consumer and airline behaviour was also changing with fewer people booking late and limited discounts available.

## 7. Data Update

AS and KB joined the meeting and introduced themselves. AS provided a high-level overview of the CAA and data, focussing on the following:

- Dealing with data challenges
- Data Strategy
- Planning for the future

KB detailed the consumer data sources available at the CAA and how these were used by the CMG Analysis and Insights Team:

- CAA airport data (avstats)
- Data from up to 75 UK-based airlines collected by the team on passenger volumes and other metrics.
- CAA Departing Passenger Survey
- ADR Data, including the reasoning behind rejected cases.
- Other data sources, including the Eurocontrol punctuality portal; CAA PRM data; ATOL data; emissions database and the Aviation Consumer Survey.

KB asked what metrics would be useful to include in a CAA consumer dashboard as part of the Consumer Strategy and the following points were raised:

- A wider overarching strategy including the entirety of the CAA and theories of harm would be useful, however there were cost implications attached.
- Input from KB and AS on the Aviation Consumer Survey, which had shown a problem with satisfaction levels in complaint handling, would be welcomed.
- More information on price, particularly in areas where there was an absence of competition. This could be added to the Consumer Panel work programme.

JW thanked AS and KB who would be invited back to the Panel once the Consumer Strategy was in place.

## 8. AOB

The Chair detailed some of the work that would be taking place in the next few months.

- The next Panel meeting would be held on 19 October.
- The Newman Review, action taken on Wizz Air, Airport Accessibility Annual Report, Website Accessibility Audit and ADR data were due to be published in July.
- The Consumer Strategy would be presented to the Board in July
- A PACT and CMG meeting would be held in July.
- JW and RH would be meeting Chairs of other Consumer Panels, accompanied by MK.
- MK and JW would be meeting the AOA.

Other areas of interest included:

- The CAA's website
- Aviation Survey
- Environmental Sustainability
- Security rules on communications
- Airline Accessibility Framework
- eATOL workshop on the new platform
- HR new People Strategy for CAA (induction/training for staff) workshop.

There was nothing further to discuss and JW thanked members for taking part. The meeting closed at 16.13hrs.