

Consumer Panel minutes

11:30, 21 July 2022, Teams

Attendees

Consumer Panel

Jenny Willott (JW)	Panel Chair
David Thomas (DT)	Panel Members
Walter Merricks (WM)	
Jacqueline Minor (JM)	
Carol Brennan (CB)	
Helen Dolphin (HD)	
Rick Hill (RH)	
James Walker (J Walker)	

Freya Whiteman (FW)	Secretariat
Sally Bland (SB)	

Invited Guests

Paul Smith (PS)
Anna Bowles (AB) (item 2 onwards)
Michael Budge (M Budge) (item 7)
Matt Buffey (MB) (item 7)
John Burton (JB) (item 6)
Bronwyn Fraser (BF) (item 5)
James Fremantle (JF) (item 5)
Barbara Perata-Smith (BPS) (item 6)

The meeting was held remotely via Teams.

Declaration of Interests

The register of interests, as circulated before the meeting, was taken as read and no further declarations were made.

1. Chair's Update

JW welcomed members to the meeting. She provided an update on the Panel's recent activities including the recruitment of new members and the Secretariat position.

An extract of the CAA June Board meeting relating to the Consumer Panel's Annual Report was attached as part of the agenda and was taken as read.

The minutes of the quarterly Panel meeting, held on 28 April 2022, were agreed and would be published on the website. FW would be carrying out a review of the Panel's webpage over the Summer and would feed back to the October meeting, which would be the first for the new members, Jennifer Genevieve and Vaughan Williams.

Dates for 2023 meetings had been circulated and no comments had yet been received. These were therefore taken as agreed.

2. Member Updates

JW reported that the Panel's away day on Monday, 18 July, had gone very well and included interesting sessions on the CAA's priorities, overall strategic direction and key issues affecting the CAA. The outputs from the interactive sessions, had been captured in FW's slides and draft work programme, which had been circulated following the away day.

JW provided an update on other activities since the last Panel meeting highlighting the following:

- The Panel had input to the H7 final proposals which were due to be published in June.
- The Panel had recently input to the NERL price control initial proposals which were due to be published in the Autumn.
- The Panel's Annual Report had been published following the Board meeting in June.
- JW had had a very positive meeting with Dr Ruth Mallors-Ray OBE (Chair of the Environmental Sustainability Panel) in June to discuss how the two Panels could work together.
- A meeting with Airlines UK had been postponed and was being rescheduled.
- FW was liaising with the Airport Operators' Association to arrange a meeting with JW.
- Regular meetings had been held between JW, Richard Moriarty, Sir Stephen Hillier, PS and AB.
- JW met with the Skyline Board meeting to discuss opportunities for future collaboration.
- JW was due to meet Tim Johnson (CAA Strategy and Policy department) in September.

JW invited updates or comments from members and the following points were raised:

- DT and JM referenced the NERL and H7 teams' work on the price control. Points that had been raised over the past two years by the Panel sub-group (including the need for earlier engagement with the Panel) had been picked up and fed into the respective price control processes, which was encouraging. JM also welcomed that the NERL and H7 teams had presented complex economic ideas in a clear manner which allowed the sub-group to engage meaningfully. JW endorsed JM's comments.
- RH and CB attended and contributed to the DfT's Passenger Charter task and finish group meetings, and HD provided separate comments on the draft charter. It was felt that the charter was a good starting point but that the timescale for its development was limited and the resulting document was too long, and the next iteration should aim to be more consumer friendly.

3. CAA Update

PS gave a verbal update on key issues affecting the CAA. He discussed the H7 price control consultation, which had ended, and the reaction of financial markets. To date, there had not been much reaction from stakeholders on the consultation. The NERL price control initial proposals were due to be published in October.

In light of recent disruption, the CAA (along with the DfT and CMA) had been highlighting passenger rights obligations to industry stakeholders. Copies of the letters were circulated for members' reference. Overall, PS considered the industry was better prepared for the upcoming weekends and the reductions in capacity had helped with industry planning. Although there was further work to do, cancellation statistics were showing a downward trend compared to recent weeks and a number of airlines had reported reduced red cancellations (cancellations on the day) which was positive. PS noted that there had been a lot of effort to encourage collaborative engagement and joint working between industry stakeholder to minimise disruption experienced by consumers.

As there were some further train strikes being planned for the Summer, the CAA had engaged with Transport Focus on developing consistent messaging and signposting to reduce the impact of disruption on overseas passengers.

The Newquay spaceport was a significant area of focus for the CAA and Government as it would be the first of its kind in the UK. In response to a question from J Walker, PS confirmed that the UK was leading Western Europe on this venture.

4. Update on Disruption, Cancellations and Passenger Rights

PS and AB gave a verbal update on recent developments and steps being taken by the CAA, Government and industry.

AB explained that the CAA had been engaging with industry stakeholders to encourage them to reduce the unusually high number of delayed and cancelled flights. Airlines and airports had been asked to look at their schedules and cancel flights in advance if necessary, as it was the view of the CAA that cancellations with notice were far better for the consumer than on the day cancellations, particularly when the consumer had already arrived at the airport. The CAA had sent various letters to the industry which were available on the CAA's website. A joint CAA/DfT letter had recently been sent to airlines asking them to provide more information up front, so passengers were more aware of their rights before they travelled. A joint CAA/CMA letter to airlines was also recently published highlighting their obligations under relevant consumer law. In addition, one-to-one senior level conversations were being held with industry and the media focus on the disruption at airports had been a good source of intelligence on real cases.

AB explained that re-routing cancelled flights was a challenging issue for airlines as there was little capacity in the market relative to demand, especially when taking into account the caps that were in place. The CAA had concerns that re-routing apps may be difficult for some vulnerable passengers to use and airlines were being encouraged to identify vulnerable passengers in advance so they could be assisted as necessary. A public statement had recently been made by the CAA to remind airlines about their re-routing obligations but also acknowledging the above challenges. Overall, it was a very challenging time, with unprecedented levels of cancellations and severe recruitment issues.

JW thanked AB for her overview and invited questions and comments from members. The following points were raised:

- CB thought the CAA's work on engaging with the industry including its recent letters was encouraging, and was pleased to see that the CAA was working with industry stakeholders to encourage them to communicate more effectively with consumers and provide better information.
- RH referenced the CAA's joint letter with the CMA, which picked up a lot of the themes discussed at the Panel's away day. He queried how the CAA was monitoring whether the airlines

were properly reimbursing passengers if they had to incur additional expenses due to cancellations. AB circulated the recently published guidance on the Heathrow caps, which set out the obligations to re-route. AB also noted that the CAA was working with the industry to improve communications so that passengers avoid going to airports in the first place and can avoid short notice cancellations and incurring those costs. At the current time, there was no evidence that turnaround times for compensation were not acceptable and that there was a generally reasonable turnaround time for refunds, though they could be slower with third party involvement.

- WM noted that airlines had previously stated that 261 compensation could not be made automatically as this would be too complex, however, the current situation had demonstrated that this was possible. PS added that direct automatic compensation would be more difficult where tour operators or third parties had been involved. WM queried what could have been done differently if the disruption had been anticipated sooner. AB said that had industry anticipated the extent of the resourcing challenges they were facing post pandemic earlier, schedules could have been adjusted earlier to reflect this. The CAA anticipated conversations in the Autumn with airlines to understand whether such challenges were likely to be repeated next year.
- J Walker detailed a case of a cancelled flight where the website gave no alternative re-route and the passenger had no option but to cancel the booking completely. He was then only offered a refund of the airport tax. AB offered to follow this up and PS encouraged others to put forward any other cases that they were aware of as it was helpful for the CAA to have as real-life examples which could help improve consumer outcomes more generally.

5. Accessibility Update

JF attended the meeting for his item. He presented an update on recent developments, the steps taken in response to recent PRM performance issues, and an update on the airport accessibility framework and proposed airline accessibility framework.

JF set out the CAA's role under regulation 1107 and the airport accessibility framework under which the CAA set and monitored service quality standards for UK airports. JF explained that the airport framework set out the minimum standards for a timely and customer orientated airport assistance service to meet regulation 1107 requirements, focusing on three key areas: (1) assistance waiting times for departures and arrivals; (2) customer satisfaction; and (3) airports' engagement with accessibility and disability forums.

JF said that the framework had generally worked well in recent years and had driven performance improvements. JF discussed recent performance over the Summer, noting that this had been poorer than expected due to resource challenges which was an area of concern. JF set out the action the CAA had taken in response to recent poor performance which included enhanced monitoring and data gathering, engagement with individual airports and publishing additional guidance on how airports could provide a more tailored assistance service in the context of resource challenges. The CAA was planning an interim report later this year and a full report next year, but the short-term priority was to work with airports to improve performance for the peak PRM period in September and October 2022.

JF explained that the CAA was also developing a new airline framework to determine compliance with regulation 1107, which would complement the one in place for airports. Extensive desktop research was undertaken by the CAA on the accessibility policies and practices of key airlines, who were asked

to complete a questionnaire to help the CAA understand current performance, good practice and possible areas for improvement. This had helped inform the development of the new framework which the CAA aimed to publish for consultation later in 2022. JF added that there were likely to be some similarities between the two frameworks, which would distinguish between compliance and best practice guidance.

JW thanked JF for his presentation and invited questions from members. The following points were raised:

- HD queried the absence of some data on WCHC (passengers with very limited mobility). JF confirmed that this was being followed up and could be shared with the Panel once available.
- In response to JM, JF confirmed that the standards discussed related to arriving passengers, which were different from those for departing passengers. This may be reviewed in the future.
- Regarding the additional published guidance for airports, HD queried how the CAA planned to publicise this to passengers. JF said that the guidance was currently airport-facing, but may need to be more passenger-facing in future iterations. HD said passengers who may require assistance could potentially use the guidance to help them make more informed choices on whether they need help or not.
- RH asked if there had been any research or audits on the accessibility of apps as they were not always designed with accessibility in mind, for example a lack of compatibility with screen readers. JF stated website and app accessibility is an important area which isn't covered explicitly in the relevant regulations. However, the CAA's latest version of the questionnaire to airlines included questions about the accessibility of the booking process and the CAA was considering including guidance on website and app accessibility in the proposed airline framework.
- In relation to the airport and airline frameworks, JW asked if there were any concerns about the interaction between the two, and whether there was a risk airports and airlines might blame each other for poor performance. JF said there were some airline obligations which did not apply to airports, but there were also some areas (such as check-in and boarding) where airport and airline processes interacted, which would be important to separate out. JW felt it could be a good opportunity to ensure the two frameworks worked well together for consumers as a coherent package.
- DT noted that it would be useful to understand why the data presented seemed to demonstrate a higher number of requests for assistance at UK airports compared with European counterparts, and to understand what was driving the increase in requests. HD added that the increase in requests for assistance could be higher because the longer queues created additional difficulties for passengers who previously might not have needed assistance.
- JM suggested that two tiers of assistance might be beneficial as the standard being imposed may be higher than was needed for some passengers. A more tailored approach could distinguish between passengers who needed substantive assistance and those who needed general support, including signposting around the airport and general assurance.
- In response to CB's query, JF confirmed that the CAA monitored training and complaint handling.

JW thanked JF for his presentation and asked that the Panel be involved in the development of the proposed airline framework.

6. Sustainability Update

JB, BPS and BF presented an update on the Sustainability Team's work plan, including the reporting of environmental information to consumers and the Environmental Sustainability Panel.

BPS explained that environmental sustainability was a priority for the CAA and that the new strategy helped coordinate previous CAA work in this area, created a central narrative and vision on environmental sustainability and clarified the CAA's sustainability roles. The strategy received positive feedback from stakeholders.

JB provided an overview of the CAA sustainability team's work plan, which was taking a holistic approach to improving aviation's environmental performance. JB highlighted key aspects of the work plan, including the aviation noise attitude survey, the CAA's new noise advisory functions from ICCAN (Independent Commission on Civil Aviation Noise) and that the team undertook a lot of engagement with local community and business groups. JB clarified that the strategy aimed to harness different elements of the CAA's skills and expertise to improve the sustainability of aviation.

BPS said the CAA's work on environmental information, which the Panel had previously been involved in, was ongoing and was moving to the policy design and implementation phase. BPS said there had been a recent proliferation of metrics for providing environmental information to consumers from different organisations. The CAA had engaged with these organisations who had taken into account the key principles from recent consumer research on the key characteristics consumers wanted to see, including standardised, accurate, reliable and trusted information. The key challenge was that the methodology for metrics used a variety of parameters that often differed between organisations. This meant consumers saw different sets of figures when comparing flights, which could erode consumer trust. The CAA was prioritising this work and was due to consult on a call for evidence on environmental information in the Autumn, which would be followed by a consultation on best practice guidelines next year.

BF provided an overview of the new Environmental Sustainability Panel which had been set up to support and challenge the CAA to deliver of its strategy, in its role as a critical friend. Among other things, the new Panel's initial focus would be on providing technical advice on the delivery of the CAA's sustainability strategy, including by providing technical expertise on the trade-offs between a range of environmental sustainability factors and inputting into the environmental information to consumers work. The new Panel's work programme would be shared with the Consumer Panel shortly. JW would be attending the new Panel's Autumn meeting to introduce the work of the Consumer Panel and the two Secretariats were discussing the possibility of a joint meeting in the new year on synergies and joint working between the two Panels.

BPS asked the Panel's views on how they would like to be involved in the call for evidence on environmental information for consumers. CB welcomed the CAA's work in this area and said the Panel would be happy to work with the new Panel.

CB suggested greenwashing could be an area that could be looked at in the future and queried whether the CAA might have a role in this area. BPS said there had been an increase in greenwashing litigation cases against airlines for unsubstantiated claims in advertising. BPS added that the CAA's current priority was on the guidance for environmental information for consumers, but as there was growing awareness and interest in greenwashing it was an area the CAA would consider in the future.

PS said that one of the challenges with environmental information was how to get consistency of interpretation of the varying methodologies and metrics. PS said the Environmental Sustainability

Panel was well placed to advise on the technical aspect to ensure the methodology was robust and the Consumer Panel was well placed to advise on how best to present this information to consumers in a way that allowed them to make meaningful decisions. PS noted that consideration should also be given to what this meant for other modes of transport, and that some of the choices and trade-offs that consumers made are not limited to the aviation sector.

RH said that consumers first wanted to be able to make a meaningful assessment of how much they could offset their carbon footprint, which required clear, comparable and trusted information presented consistently across the industry to allow them to understand what “good” looked like. If consumers then chose a flight which had a lower carbon footprint, they then wanted to be assured that their action was actually contributing and making a difference towards carbon reduction. RH queried whether there was any scope for a CAA accredited carbon offsetting scheme. BPS explained that a kite mark system was being considered.

J Walker asked if the work of other regulators around the world was taken into account to ensure best practice. Responding, BPS explained that the CAA was considering this with the UKRN and exploring whether it was possible to develop a common baseline reporting methodology. BPS also noted that the CAA had taken on reporting functions from EASA which provides a robust data framework which will help provide greater standardisation and consistency.

JW thanked JB, BPS and BF for their update and looked forward to working with the new Panel in the future.

7. ATOL Reform Update

MB and M Budge joined the meeting for their item. They presented an update on ATOL reform and the key issues from recent consumer research on attitudes towards ATOL protection.

MB set out the key finding from the research including perceptions of ATOL, ATOL holders’ funding arrangements and the structure of the ATOL levy. MB explained that although there was a strong feeling that consumers did not want to take an interest in how companies were using their money, this was on the assumption that their holiday would be delivered and that vetting was being carried out behind the scenes. M Budge added that the responses from consumers had reinforced the objectives of the consultation, and confirmed that the right questions were being asked.

The Panel discussed the issues raised and put forward a number of comments as follows:

- JM thought that there was a nuanced difference between what had been presented to the Panel and the agency’s original research. The research seemed to suggest that consumers were fairly relaxed about how businesses treated their money and did not treat travel companies differently from other companies, and they accepted that their deposits would not necessarily be used for their holiday and might go towards funding working capital or other business cashflows (e.g. capex). Responding, MB said it was difficult to engage consumers on this issue when it was explained to them as part of the research. While it was true that they were fairly relaxed, this was predicated on their holiday being delivered (which in turn depended on financial viability) which was why there was more nuance included in the presentation. M Budge added that the key issues they were working through were the benefits and drawbacks of the individualisation versus mutualisation of financial risk. M Budge noted they were trying to find a balanced approach that drove efficiency in a way that provided consumers with choice and value, but which did not lead to a diminished market and fewer operators with ATOL protection, which would create more risk for consumers. Therefore, the CAA was aiming to strengthen financial resilience of ATOL holders

relative to the number of participants in the industry, and that was the calibration exercise that needed to be looked at in the upcoming impact assessment.

- RH agreed that ATOL reform was necessary, but felt that the CAA should not move towards personalising risk for consumers and considered the current approach of sharing risk across a large group of consumers was a better approach.
- WM asked whether focus groups raised the issue of airline insolvency in light of recent airline insolvencies. M Budge noted that airline insolvency did not come up spontaneously in the research but it was raised in the context of ATOL holidays. WM queried whether airline insolvency was being taken forward by the Government, and whether ATOL reform would be taken forward on its own.
- J Walker queried which aspects of ATOL protection consumers were least clear about in the research. M Budge said there was low awareness of how to get refunds from flight cancellations. He added that the timing of the research meant that some factors resonated more strongly with participants due to increased press coverage around the CAA's role in airline refunds, and that it could be useful to increase communication and educate consumers on what ATOL does in the future.
- MB added that there was good general awareness of ATOL among consumers, just not the specific details of how it works and what it does.
- MB added that most consumers considered the ATOL levy of £2.50 to be very competitive and anything under £10 would be acceptable. Some felt that the value of the holiday could be reflected in the cost.

In terms of the next steps, MB confirmed that an Impact Assessment would be prepared and discussed with the Panel, and a recommendation would then be made to the Board. Engagement with DfT would also need to be factored into the process.

JW thanked MB and M Budge for their presentation.

8. Consumer Panel Work Programme

FW provided a verbal update on the early draft of the Panel's new work programme which had been circulated by email before the meeting. She explained that this reflected the members' feedback from the away day held on 18 July. She invited any initial feedback from Panel members who were positive about the first draft and suggested:

- Some changes to chapter 2 ("assessing the evidence") regarding the aviation consumer survey
- Additional references in chapter 3 ("work plans 2022 – 2024") on the accessibility of websites and apps (including the booking process) and the exclusionary effects of digital booking and check-in, as these were important issue for consumers
- Some minor changes in terminology

JW explained that the aim was to publish the work programme in September and asked for any further feedback (including from the new members) to be sent to FW directly in August.

There was an action at the June Board meeting to circulate proposals for the Panel to consider in its new work programme. FW took can action to circulate the proposals to Panel members.

AOB/Actions

JW summarised the actions and key items coming up in the short term:

- FW would circulate the proposals from the Board for members' consideration.
- Comments on the draft work programme should be submitted to FW during August.
- Jennifer Genevieve and Vaughan Williams would be formally joining the Panel in September, and would attend the October Consumer Panel meeting.
- JW would be attending the Environmental Sustainability Panel in September.
- FW and BF were looking to hold a joint panel meeting in January 2023.
- CB and JM were taking part in the next wave of the Aviation Consumer Survey, which was due to be finalised later in 2022. FW would circulate the dates once known, and RH and J Walker volunteered to join the sub-group.
- Once the work programme was published, the Panel could update the membership of Panel sub-groups. Raising the profile of the Panel within the CAA would also be given more consideration.

There was nothing further to discuss and JW thanked members for taking part. The meeting closed at 15.48hrs.