

# Consumer Panel minutes

11:30 – 16:00 Thursday 22<sup>nd</sup> July 2021

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## Attendees

### Consumer Panel

Jenny Willott (JW)	Panel Chair
Trisha McAuley (TM)	Panel members
David Thomas (DT) (left meeting after item 4)	
Walter Merricks (WM)	
Jacqueline Minor (JM)	
Carol Brennan (CB)	
Helen Dolphin (HD)	

Harriet Gamper (HG)	Secretariat
Tom Willis (TW)	

## Invited guests

Sir Stephen Hillier (SSH) Item 1	CAA Chair
Richard Moriarty (RM) Item 1	CAA CEO
Paul Smith (PS) Item 3	Group Director, CMG
Tim Alderslade (TA) Item 4	CEO Airlines UK
Kee Sims (KS) Item 5	
Nic Stevenson (NS) Item 5	
Robert Toal (RT) Item 6	
Freya Whiteman (FW) Item 6	

## Apologies

Claire Whyley (CW)	Panel member
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## Declaration of interests

None.

The meeting was held remotely. April minutes were noted.

## 1. CAA CEO and Chair

RM thanked the Panel for its report on supporting passenger confidence. The report had been helpful to both the CAA and more widely, in particular as it offered practical solutions, and has been used by Government as travel advice is developed.

RM then went on to discuss the CAA's response to the report. Overall RM said the CAA has been responsive to the report and covered all of the areas highlighted for the regulator's attention. There were two issues he particularly highlighted:

- The recent decision to allow airlines to check forms before travel has been a big step in the right direction for improving the passenger experience. The CAA has seen a high level of compliance from airlines in making sure passengers have the right forms and documentation and will have a role in ensuring compliance going forwards.
- The recommendation that more clarity and simplicity is needed around the information that passengers must digest ahead their journey is problematic. RM agreed with the importance of this but cautioned that due to the many different requirements in the UK as well as other parts of the world practical implementation is a huge challenge. Nevertheless, the CAA is working with Government to support solutions to this issue, whilst recognising that the CAA is not responsible for producing the rules and requirements.

SSH underlined that the CAA has consumer needs at the front of its thinking during the recovery period, the focus is strongly on safety and security, ensuring standards remain high.

SSH highlighted the Covid pandemic as a shorter-term challenge but stressed that longer term the biggest challenge facing the sector would be around the environment and sustainability. This will be the entire focus of the CAA's next Board away day. RM seconded this and noted that the Government had recently issued a consultation on decarbonising aviation.

### **Discussion**

The Panel discussed accessibility of aviation to the mass market, the potential for price increases both in the context of Covid recovery and any potential demand management due to environmental concerns, and the impact this could have on access to travel.

The lack of consumer representation on the Global Travel Taskforce was highlighted. This is likely to crystallise further as people return to flying and begin to encounter issues in larger numbers. RM committed to continue to reflect the consumer voice when advising Government.

The Government 'Covid passenger charter' was discussed and there was concern from the Panel that there is a risk this could cause confusion and passengers could think they have rights when in fact some of the items contained within the charter are Government advice/expectations rather than clear cut and enforceable rights.

The Panel raised the live BEIS consultation on reform of the competition and consumer landscape. An important area for the Panel has long been mandatory ADR. RM assured the Panel the CAA would continue to support this, with the caveat that it will be for Government to decide.

### **Actions**

SSH asked the Panel to provide views on sustainability and the environment, viewed through the aviation consumer lens, for Board consideration ahead of the away day.

## **2. Chair's Update**

Since the last Panel meeting, JW had presented the Panel's Annual Report at the CAA June Board. The Board had a good discussion on the increasing importance of the CAA articulating an

environmental strategy. The Panel's work was welcomed, and it was recognised that the Panel is there to provide challenge and be a critical friend.

JW also met with the CEO of Transport Focus, Anthony Smith, and discussed how Transport Focus have revamped their consumer insight work, including building a large online panel. The secretariat are organising a workshop with TF and CAA colleagues to share learnings.

JW, JM, WM and HG met with *Which* to discuss the live CAA consultation on reform of ATOL and explored the results of research *Which* had carried out into recognition of the ATOL brand and understanding of what that covers.

JW had also met with other external Consumer Panel Chairs last week and agreed to discuss further the impacts of the pandemic in particular on the insurance market.

### **Updates from Panel Members**

DT prepared a response to a CAA consultation on NERL which has been submitted. JM and WM prepared a response to a CAA consultation on reform of ATOL which is being finalised and will be submitted next week. JW, CB and JM attended a meeting on how to recognise and respond to the needs of vulnerable consumers in the ATOL claims process and fed in ways to recognise those at risk of vulnerability, including when contact is made via phone. HD also attended Access Panel meetings.

## **3. CAA Update**

PS updated, focusing on the Covid border situation which has improved significantly over the past few months, even with more passengers now arriving into the UK. The upgrades to the E-gates have worked and the process of returning to the UK is far smoother than previously. The compliance rates with the border health measures are high.

The CAA has taken on a new role around the amber list exemption that people can now get if they are double vaccinated. The CAA are checking airline compliance with this with focus on the processes airlines have in place to do this checking.

PS noted the live BEIS consultation on reform of the competition and consumer landscape and said the CAA will respond. The CAA was pleased to note consideration of enhanced consumer powers in the document. PS also noted that BEIS is consulting on changes to the package travel regulations. This may provide a further opportunity to address some of the issues around ATOL.

PS noted that Ryanair have now re-joined ADR and he regards this as a success from a consumer perspective.

The CAA's ATOL regulatory framework consultation is getting attention throughout the industry. PS believes that there is a good alignment about the direction of travel. The Panel had engaged with the team and submitted a response to the consultation.

## **4. Industry Perspectives**

JW welcomed TA, CEO of Airlines UK, to the meeting. TA Began by sharing the outlook and priorities for UK aviation in 2021.

TA talked about the impact Covid has had on the aviation industry. The pandemic has already cost aviation tens of thousands of jobs amongst UK airlines alone. Aviation has been hit particularly hard by the pandemic in terms of output loss. Carriers have taken on billions in debt to survive. Reopening international travel is also vital to the wider UK economy. Recent economic research for Airlines UK highlighted how £55.7bn in lost trade is at risk if meaningful reopening is delayed until September.

TA went on to discuss the current 'traffic light' system in place. Non-essential international air travel resumed on 17 May 2021 with further reviews of country 'traffic lights' every three weeks and periodic checkpoints on the criteria. A helpful change to the travel restrictions was brought forward on 19 July 2021, exempting fully vaccinated passengers from quarantine when returning from Amber countries. Still, regular changes to the country lists has resulted in only a handful of countries on the Green list, and with around 40% of British people not yet fully vaccinated most of the world is still off limits. The UK risks falling further behind the rest of the EU which is safely opening up tourism and removing restrictions for vaccinated passengers.

### **Discussion**

The Panel noted that the figures on airline debts are worrying. With this debt, do we expect to see higher prices for consumers during the recovery period? TA did not believe debt will have an impact on the price of flights due to the fact that airlines will still be competing with each other for bookings. If anything, TA believes that due to excess airline capacity we could see lower fares than usual.

There was a question on the flexible booking policy of airlines as this is key for consumer confidence when booking flights. Consumers need to feel confident that they will be able to get their money back relatively quickly if there is a change in government policy. TA stated that most if not all airlines have had this at the front of their thinking and have policies in place to help drive it.

The Panel thanked TA for attending, noting how informative his presentation had been.

## **5. Harmonising Consumer Data**

KS thanked the panel for inviting her and NS to the meeting. KS began by recognising that there is room for the CAA to improve the use of Aviation Consumer Survey and consumer research can be better coordinated more generally across the CAA.

The Aviation Consumer Survey going forward will be undergoing changes, the CAA's contract with ComRes is ending this year, so discussions on what happens next are underway. The CAA is considering moving to an annual survey instead of carrying out the current two surveys per year.

### **Discussion**

The Panel questioned the benefits of reducing the frequency of the surveys from every 6 months to annually. As airlines begin to set post-Covid parameters, what benefits are there in having less data?

The Panel steer was that in a time of reduced budgets, quantitative surveys such as the tracker provide a good basis on which to identify trends and base deeper, qualitative, dives.

The Panel questioned what the CAA intends to do with the data it collects – how is data used across the organisation? How is it highlighted to staff? Dialogue such as world café sessions could help. Is it

used externally? The Legal Services Board data hub model could be instructive here. HG had contacts at the LSB and could organise a session to share information.

NS underlined the importance for the CAA of being agile due to the rapidly evolving situation during the pandemic and that a large-scale tracker survey might not be the right thing to do at the moment due to not many people travelling.

The next two surveys are going to be key, the next Wave of the Aviation Consumer Survey (wave 10) will take place directly after summer, so this will reflect how the recovery period has been playing out, and whether it was as people expected. The second survey will be a smaller, targeted, piece of research in winter, which will zoom in on certain findings from the Consumer Survey Wave 10 and reflect expectations and preferences when it comes to future travel.

### **Actions**

HG to link up the LSB data project with NS and the CSP TOM lead.

## **6. Economic Regulation**

At the Exco PIE session in February 2021, RT and FW set out details of the proposed way forward for the Heathrow price review programme (H7). This included a public consultation setting out their intention to implement a 5-year price control and to introduce revenue risk sharing, develop stronger capital efficiency incentives and move towards Outcome Based Regulation (OBR).

HAL continues to argue that a full RAB adjustment is required to protect the interests of consumers. It also pushed back on CAA/airline criticisms of its business plan. HAL proposes to provide its updated business plan shortly.

Work on the price review, financeability, affordability, risk sharing and incentive arrangements will be ongoing over the summer with the intention that these matters will be brought together and presented to the Board in September.

## **7. AOB**

The next Panel meeting will be on the 28 October and will be Claire and Trisha's last meeting as they are coming to the end of their term. The Panel will recruit new members in due course.

HG had circulated an update paper on the workplan. The Panel agreed a lot had been achieved over the past six months. If anyone had any comments on the workplan, they were asked to raise them by emailing JW and HG.

BEIS have requested two volunteers for a workshop they are holding on the PTRs. JW asked Panel members to email HG if they are interested in getting involved.

JW congratulated HG on becoming the vice chair of the Skyline Board, the new CAA shadow board. This is an initiative to add diversity of thought to organisational decision making. HG will do this alongside work for the Panel.