



Aviation 2050

The future of UK aviation.

Consultation response by The Consumer Council

20 June 2019

1. Introduction

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland. The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research, and educating and informing consumers.
- 1.2 The Consumer Council has been designated to handle passenger complaints made under Regulation (EC) No 1107/2010 (the Access to Air Travel Regulation) relating to an airport in Northern Ireland or a flight departing from an airport in Northern Ireland by the Civil Aviation (Access to Air Travel for Disabled Persons and Persons with Reduced Mobility) Regulations 2007 (SI 2007/1895). The Consumer Council also handles complaints made under Regulation (EC) No 261/2004 concerning flight delays, cancellations and instances of denied boarding.
- 1.3 The Consumer Council uses a set of eight core principles that are commonly used by consumer organisations for working out how particular issues or policies are likely to affect consumers. These are:



- 1.4 The Consumer Council welcomes the opportunity to respond to the Department for Transport's (DfT) consultation on 'Aviation 2050, The future of UK aviation'.

2. Executive Summary

- 2.1 The Consumer Council supports the government's objectives for its long term Aviation Strategy. We recognise the challenges to the aviation sector that the document identifies and concur with the strategic themes proposed.
- 2.2 Northern Ireland is unique in the UK in having no road or rail links with the rest of the UK. As such, it relies heavily on aviation to connect its people and its economy to the rest of the UK and the world. We therefore welcome the commitment within the consultation paper to deliver the connectivity that Northern Ireland needs.
- 2.3 We welcome the proposal to develop a Passenger Charter. We would emphasise that a comprehensive framework of regulations already exists and the key issue is to ensure that the requirements in these regulations are delivered consistently for all consumers. New measures that aim to build on the existing regulations are welcome.

3. Regional growth and connectivity

- 3.1 Section 4 of the consultation highlights the importance that the nations and regions of the UK attach to domestic connectivity. By promoting regional connectivity, the Consumer Principles of 'Access' and 'Choice' are being addressed in regions where consumers struggle to realise the full benefits of modern air travel. Northern Ireland is uniquely dependent both economically and socially on air travel, to connect Northern Ireland to the rest of the world and also to allow access for social and business purposes to the UK. This connectivity relies on the access that Northern Ireland has to connections into other UK airports, but most importantly of all is access to Heathrow.
- 3.2 As the document states at paragraph 4.8, due to a lack of capacity there has been a fall in domestic connectivity in recent years. This has been seen in Northern Ireland. For example in 2017 British Airways (BA), reduced its winter schedule from Belfast to Heathrow from six daily flights to four. Currently BA is currently offering four or five flights daily to Heathrow, depending on the day of the week. In March 2019 Ryanair announced a reduction in its winter schedule on its Belfast to Stansted route from three and two times daily to twice a week¹. In April it announced a reduction on the same route for its summer schedule from two and three flights a day, to two a week².
- 3.3 We are pleased to see that the government views an expanded Heathrow as an opportunity to strengthen and develop the connectivity of the regions. Heathrow is by far the UK's largest airport in terms of connectivity to long-haul destinations. If

¹ www.bbc.co.uk/news/uk-northern-ireland-47481843

² www.bbc.co.uk/news/uk-northern-ireland-47841028

Northern Ireland consumers are to benefit from these connections, it is of utmost importance that they have access to frequently operated services between Northern Ireland and Heathrow. To ensure the continued operation of services between Northern Ireland and Heathrow the Consumer Council believes slots should be ring-fenced for these routes.

- 3.4 We welcome the announcement by Heathrow of a 50% increase in the discount for domestic passengers and its commitment to a £10 million Route Development Fund to support the introduction of new routes. The consultation suggests that this may create commercial opportunities for airlines to provide enhanced domestic connectivity. However, Northern Ireland faces unique challenges in this respect. Having no road or rail link with the rest of the UK, Northern Ireland airports are competing with ferry companies and crucially Dublin airport, for passengers.
- 3.5 Northern Ireland airports are at a disadvantage when competing with Dublin airport because of the requirement on passengers to pay Air Passenger Duty (APD) when leaving Northern Ireland or entering from another UK airport. Passengers through Dublin airport are not required to pay APD or a similar tax. Therefore, Northern Ireland airports are competitively disadvantaged against Dublin, limiting their ability to provide connected flights on a commercial basis. The decision by Ryanair to reduce its summer schedule from Belfast International to Stansted, referred to at 3.1 would, on the face of it, appear to be a commercial decision as it cited the reason being the "weak UK market" and UK Air Passenger Duty (APD)"
- 3.6 The document states that APD remains an important contributor to Government revenue, raising over £3.4 billion in 2017. Analysis of Northern Ireland passenger flow statistics for 2017 shows that upwards of 73% of all flights to and from Northern Ireland airports are via other UK airports³. This means that Northern Ireland consumers pay APD twice, as there is no other practical means of travel between Northern Ireland and GB destinations.
- 3.7 This high level of dependence on air travel has also been recognised by the Northern Ireland Affairs Committee which, in its report Air Passenger Duty: implications for Northern Ireland, stated 'that for many people in Northern Ireland travelling by air is not a luxury, but is an essential element of family and economic life'⁴.
- 3.8 The Consumer Council believes that this tax disproportionately impacts on Northern Ireland consumers due to our dependency on air travel when travelling within the UK. We welcome the commitment from the government to establishing a technical

³ The Consumer Council analysis of CAA statistics

⁴ House of Commons Northern Ireland Affairs Committee- Air Passenger Duty: implications for Northern Ireland Second Report of Session 2010–12

working group to consider the practical and legal challenges to changing short-haul APD in Northern Ireland.

- 3.9 The Consumer Council welcomes the commitment to support Public Service Obligations (PSOs) to London for routes vital for social or economic development that are in danger of being lost. Aviation plays a central role in supporting Northern Ireland's economy internationally. A news release issued by the Northern Ireland Chamber of Commerce and BAA on 14 February 2012⁵ pointed out that:
- One in ten jobs in Northern Ireland depends on foreign investment, and half of the companies involved can only reach their home market through a hub airport;
 - Aviation supports £1bn of exports from Northern Ireland;
 - Foreign tourists spend £195m a year in Northern Ireland and account for 360,000 visitors, 150,000 of whom arrive by air; and
 - Northern Ireland benefits directly from having a global hub in Britain, with Heathrow directly supporting 1,000 tourism jobs and 900 airport jobs in Northern Ireland.
- 3.10 We welcome the proposals in the consultation for a new two stage process for assessing applications for a PSO. We agree that this will improve transparency and effectiveness of the process.
- 3.11 The consultation also states that air connectivity is just one facet of the overall connectivity package on offer, and should act as a supplement to, instead of a substitute for other modes. However, Northern Ireland unlike any other region within the UK has no road or rail link with the rest of the UK, and relies on air or sea travel to connect its people and economy with the rest of the country and the rest of the world. This reiterates the unique dependence that Northern Ireland has on air travel for both economic and social reasons.

4. Enhance the passenger experience

- 4.1 The Consumer Council welcomes the proposal of a Passenger Charter. The consultation points out that 83% of recent flyers were satisfied with their travel experience but more can be done to improve the experience for some passengers, particularly when things go wrong. Therefore we are pleased that the proposed Passenger Charter focuses on improving the experience for disabled passengers and passengers with reduced mobility (PRMs), and improving standards for delays, cancellations and complaints handling.

⁵ Northern Ireland Affairs Committee- An air transport strategy for Northern Ireland (2013)

- 4.2 The Consumer Principle of 'Redress' requires a system for making things right when they go wrong, whilst the Consumer Principle of 'Fairness' seeks to ensure that no consumer is unfairly discriminated against. During 2018-19, the Consumer Council dealt with 222, Stage 2 complaints from air passengers. Of these 191 were about cancellations and delays. Therefore, we are pleased to see the proposed Passenger Charter addresses these issues.
- 4.3 Current regulations applying to airlines and airports with regard to the customer experience, complaints and services for disabled passengers and PRMs are clear and comprehensive. In our experience of dealing with airline complaints, problems arise when the requirements of the regulations are not carried out or are carried out inconsistently. We believe the overarching objective of the proposed Passenger Charter should be to ensure that existing regulations are applied consistently across airlines and airports.
- 4.4 *Disabled passengers and PRMs.* The Consumer Council has a statutory duty to have regard to disabled and older persons in carrying out its general duty to promote and protect the interests of consumers. In carrying out this duty we work with disabled passengers and their representatives. Our response to this aspect of the Passenger Charter is informed by our partners, in particular Imtac⁶. It is important that the government gets this issue right as it addresses the Consumer Principles of 'Access', 'Choice' and 'Fairness'.
- 4.5 The consultation document does not clearly set out the existing rights of disabled passengers and PRMs. At paragraph 5.11 the document refers to a lack of clarity about roles and responsibilities for passenger assistance services. However, the EU Regulation 1107/2006 places specific obligations on airports and airlines, and has been in place for over ten years. The problems that occur in assisted passenger services are not due to a lack of clarity but how airports and airlines apply the regulations. The primary objective of the proposed Passenger Charter should be to ensure better compliance from providers within the existing regulatory requirements.
- 4.6 The proposed measures for the Passenger Charter are positive. In particular the reference to ECAC Document 30, Section 5,⁷ as this provides airports and airlines with clear guidance, and a standard to work towards for all the other measures. Regarding the other measures, the Charter should make clear that airports are required by the

⁶ Imtac stands for the Inclusive Mobility and Transport Advisory Committee. The Committee is the main source of advice to Government and others in Northern Ireland on issues that affect the mobility of disabled people and older people.

⁷ European Civil Aviation Conference (www.ecac-ceac.org/)

Regulation to publish quality standards in relation to the PRM service and to consult with disabled passengers in making these. As well as measuring performance the CAA should be ensuring that all the airports clearly advertise their quality standards.

- 4.7 Similarly the Regulation requires airports and airlines to pro-actively promote PRM services and the Passenger Charter should make it clear that the CAA will ensure providers do more to promote the PRM services. Regarding pre-notification and standards for waiting times, these should be linked to ECAC Doc 30. The commitment around removing limits to payments for damage to wheelchairs is very welcome. However, in line with Regulation (EC) No 1107/2010, this should be broadened to include other mobility equipment.
- 4.8 In relation to training, this is another requirement of the regulation and is dealt with extensively in ECAC Doc 30. The training undertaken should be disability equality and disability awareness training. Furthermore, the measure should not be restricted to customer-facing staff. It is essential that management and decision makers undertake training as well to ensure that good practice and a positive ethos towards disability is embedded throughout organisations.
- 4.9 *Complaints and compensation.* We are pleased to see that the consultation recognises this as an area where satisfaction is much lower than that of the overall flying experience. The measures proposed in the Passenger Charter are positive and we welcome them. At present, only passengers that choose to complain may get compensation, and in many cases, it is only those that are persistent in pursuing their claim through the full complaints process and system of Alternative Dispute Resolution (ADR), that get the redress that they are entitled to. DfT should give consideration to requiring airlines to automatically compensate all affected passengers when services are impacted by factors within the airlines' control.
- 4.10 We note that it is proposed to review ADR to ensure that it is working in the interests of consumers. We asked for a review of ADR in our response to the DfT's Call for Evidence on the New Strategy Beyond the Horizon - The Future of UK Aviation in October 2017, and therefore welcome this proposal.
- 4.11 The Consumer Council is a member of the Consumer Protection Partnership (CPP), which is independently submitting a consultation response specifically on the issue of complaints and ADR. The Consumer Council fully supports the conclusions contained in the CPP submission. For ease of reference, the CPP submission concludes with the following comments on the proposals for the Passenger Charter in relation to complaints and compensation:

- Improve standards for timely and consistent notification to passengers of their eligibility for compensation – consideration should be given to the automatic payment of compensation to those who are entitled;
- Simplify the compensation process and speed up the payment of claims;
- Set standards for quality response to complainants – this should include timescales for issuing responses, as the evidence in this report shows passengers do not always receive responses to their complaints;
- Develop a performance framework including KPIs to monitor performance of the standards;
- Review ADR to ensure it is working in the best interests of consumers – this review should consider the type of complaints that make it to ADR given the airline should already have had the chance to resolve the issues. ADR should be a last resort and only for cases where there is a lack of clarity on the entitlement to redress for the consumer; and
- Expand the range of enforcement powers available to the CAA by providing for fines for breaches of Regulation (EC) 261/2004 – the CPP group supports proposals to grant the CAA as the national enforcement body, greater powers to enforce the rights of consumers. This evidence shows that there is inconsistency of practice across airlines, and providing the CAA with powers it can use to enforce compliance swiftly will be key in ensuring passengers get the support, assistance and redress they are entitled to.

4.12 At paragraph 5.63 the document states that the government is considering expanding the range of enforcement powers available to the CAA. It is unclear what this proposal means in practice, and we would welcome some clarity on this.

4.13 *Booking information and terms and conditions.* The Consumer Council supports in principle the measures in the Passenger Charter that relate to booking information, and terms and conditions. Encouraging transparency on terms and conditions and establishing open data standards are at the heart of the Consumer Principles that guide our work. We look forward to seeing more detail and a consultation on these aspects of the proposals as the strategy develops.

5. A representative body for air passengers

5.1 It is proposed at paragraph 5.67 to extend the role of Transport Focus to act as a representative body for air passengers. However, it should be noted that in Northern Ireland, The Consumer Council is the statutory representative for air passengers (as described at 1.4 of this submission). In addition, Section 5.(1) of the General Consumer Council (Northern Ireland) Order 1984 states, *“The Council shall consider and, where it appears to it to be desirable, make recommendations with respect to any matter affecting ... services and facilities provided for passengers travelling to and from Northern Ireland.”*

- 5.2 Since 2015, The Consumer Council has assisted 1,981 Northern Ireland airline consumers to receive almost £289,000 in refunds and compensation. Therefore, we ask that our statutory role in assisting Northern Ireland consumers be acknowledged in the final Aviation Strategy. A role for which we receive no funding. If Transport Focus is to provide a similar role for GB consumers, we would ask that The Consumer Council receive proportionate funding to grow and develop our representative and complaints role.
- 5.3 The Consumer Council works in partnership with the three airports in Northern Ireland to conduct 'Access Audits'. We facilitate groups of passengers with a disability and reduced mobility on a tour of the facilities at the airports. We recently made a presentation on this at the British-Irish Airports Expo 2019 conference in London. In addition, The Consumer Council produces information guides for passengers on their rights when services are delayed or cancelled, and for passengers travelling with a disability or reduced mobility. This information is available in accessible formats, as a podcast for download, and in an easy read format.
- 5.4 The Consumer Council works with partner organisations and local media to promote awareness of passenger rights within Northern Ireland, deals with complaints from passengers in relation to Regulation EU 1107 and EC 261, works with airports to improve services for passengers, and is a statutory body required to sit on the three airport forums in Northern Ireland as prescribed in the Airports (Northern Ireland) Order 1994.
- 5.5 Despite this, no funding is provided for these activities by either DfT or CAA. The Consumer Council would therefore request, that in order for 'Aviation 2050' to achieve its strategic objective to "help the aviation industry work for its customers", DfT considers funding The Consumer Council. In undertaking its work The Consumer Council also delivers on the Consumer Principles of 'Information', 'Representation' and 'Education'.

6. Conclusion

- 6.1 In our response to this consultation we have focused on those areas that are of regional significance to Northern Ireland (connectivity and APD), and that we have direct experience of dealing with (aviation complaints and providing information for air passengers). We will be attending the Aviation 2050 – Northern Ireland consultation event on 3 July 2019 and may wish to make a further submission after it.
- 6.2 If you require more information please contact Richard Williams, Head of Policy (Transport) on 028 9025 1649 or at Richard.williams@consumercouncil.org.uk.



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