



Civil Aviation Authority: Research on Unfair Terms & Conditions

Report

December 2016

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1. Background

1.1 Context

The CAA's overall role as a regulator includes oversight of all of the civil aviation regulation functions, including that of consumer protection. It remains funded in this work largely by those organisations that it regulates, while also being accountable to the Department for Transport (DfT).

Within this remit, the CAA is currently assessing airlines' levels and types of compliance with legislation on unfair contract terms and basic contractual rights. As part of this assessment the CAA has already undertaken informal consumer discussions with the largest airlines operating from the UK, in order to understand which issues prompt the most passenger complaints. From this it was established that research was needed to look at two key themes:

- Scenarios in which the actions of a passenger have led them to be affected in a way which is unfair or unexpected; and
- Scenarios in which an airline has made a change and the consumer's rights are limited unfairly.

The key construct that research is required to explore is *fairness*: the extent to which consumers feel that they have been treated in a way that is right and reasonable in relation to airlines' terms and conditions. It is intended that the results from the research will be used to inform the development of guidance material for airlines. This material will provide further explanations about airlines' legal obligations around terms and conditions, and it will also highlight to airlines key areas in which the industry needs to improve.

1.2 Research objectives

The research aims to understand how fair airlines' terms and conditions are from consumers' perspectives.

Specific objectives are to understand:

- How consumers feel about certain terms and conditions;
- How effective airlines are at communicating key terms; and
- What passengers' experiences or expectations are of airlines' terms and conditions.

1.3 Approach and sample

As indicated above, the research used a mixed methodology. This involved focus groups and in-depth interviews supplemented by a robust, nationally representative survey among passengers. A breakdown of the sampling is as follows:

- 8 focus groups with passengers: two conducted each in London, Cardiff, Newcastle and Glasgow;

- 8 follow-up, in-depth interviews conducted by telephone with participants of the focus groups who had experienced one of the issues pertinent to the research e.g. cancelled a flight; and
- 1,002 surveys conducted among a representative sample of people who have recently travelled abroad for a holiday.

To ensure that the qualitative research was grounded in current and real experiences participants in the focus groups conducted a pre-task involving going through the process of purchasing an airline ticket for the last destination they travelled to by air.

For the qualitative research, a broad spread across age, gender, socio-economic grade and long-haul vs short-haul was sought. Participants were recruited using purposive sampling according to the criteria mentioned above.

During the focus groups, participants were asked to read some examples of how terms and conditions are presented by airlines online and were asked to reflect on these during the discussions.

For the quantitative research, consumers were sampled from an online panel provider and an eight minute survey administered. Quotas were set on gender, age, socio-economic grade and region and then corrective weights applied to ensure the results were broadly representative. Since there is limited secondary data available to profile the UK passenger profile, region and gender was derived from the Census 2011¹ and socio-economic grade derived from the National Readership Survey² so that the profile aligned with the UK population. Age, however, is a characteristic available for UK passengers travelling abroad for leisure from the CAA Passenger Survey 2015³. The age sample profile was therefore weighted to match this estimated population profile.

1.4 Reporting structure

This report presents the findings from the research and is structured to cover the three key objectives, understanding:

- Awareness and general attitudes towards airlines' terms and conditions;
- How customers feel about certain airline terms and conditions; and
- How customers perceive different dimensions of fairness within the context of airlines' terms and conditions.

At the end of the report, the key findings and recommendations are presented.

¹ Office for National Statistics. 2011. 'Census: statistical release'. Available at: <http://www.ons.gov.uk/ons/rel/census/2011-census>

² National Readership Survey, 2015. 'Lifestyle and classification data: Social Grade'. Available at: <http://www.nrs.co.uk/nrs-print/lifestyle-and-classification-data/social-grade>

³ Civil Aviation Authority, 2015. 'CAA Passenger Survey Report 2015'. Available at: <https://goo.gl/Q16up0>

2. Executive Summary

2.0 Introduction

CAA is currently assessing airline's levels and types of compliance with legislation on unfair contract terms and basic contractual rights. In order to inform this assessment a piece of customer research was commissioned to look at two themes:

1. Scenarios in which the actions of a passenger have led them to be affected in a way which is unfair or unexpected; and
2. Scenarios in which an airline has made a change and the consumer's rights are limited unfairly.

The overall objective of the research was to understand how fair airlines terms and conditions are from consumers perspectives.

A mixed research methodology was adopted. This involved 8 focus groups and 8 in-depth interviews supplemented by a robust, nationally representative survey of 1,002 airline passengers who had personally booked a flight with an airline to go on holiday in the last nine months.

2.1 Main findings

When prompted, around three quarters of survey participants are aware that they have the opportunity to read the terms and conditions when booking a flight, however nearly four in ten customers do not read these at all and nearly half (49%) read some but not all of the conditions.

The likelihood of reading the terms and conditions is affected by the ease of the language used in the terms and conditions: those who find the terms and conditions easy to read are over twice as likely to read them as those who find them difficult to read.

The costs associated with changing a name (whether as a result of a spelling mistake or to change the person booked on a flight) on a booking were felt to be excessive since these were perceived to be far higher than the actual cost to the airline of making these changes. Most customers felt that a charge of between £1-10 was fair for changing a name.

There was high awareness that airline tickets were typically non-refundable, however the fairness of this term was felt to relate to the cost of the ticket. Not receiving a refund for inexpensive tickets (usually short haul non-premium carrier) was felt to be fairer than not receiving a refund for more expensive (usually long haul) flights.

Cancelling a return flight if the outbound flight is not used was felt to be very unfair. This was partly due to the very low awareness of this condition and because it was felt to be independent of the outbound flight as other travel tickets are perceived to be e.g. train tickets.

Charging to print off a boarding pass was felt to be very unfair and as with the name change, charges were felt to be excessive rather than reflecting the actual cost of providing this service.

The charges to choose seats were felt to be unfair by the majority of those who had been affected by this issue. Being able to sit next to your party was felt to be an important feature of a flight and some resented paying to secure seats together.

Flight changes were felt to be fair without compensation if the duration was less than two hours, advance warning was given and there were special arrangements made for those who had to arrive at a particular time e.g. for a connecting flight. Flight changes over 2 hours was felt to be excessive without compensation as this resulted in inconvenience and could have significant impacts for the customer, e.g. arriving at home in the middle of the night.

There were mixed responses to not being given some of the additional services advertised by airlines on a flight. These additional services were felt to be more important for long haul flights and consequently these customers were more likely than short haul customers to feel that it was unfair if they did not receive some of the services advertised.

Three drivers of fairness emerged from the qualitative research with customers. These were:

1. The difference between the perceived cost to the carrier and the cost to the customer
2. The prominence or otherwise of important information
3. The cost of the flight

Overall, all of the terms and conditions presented to customers were felt to incorporate a degree of unfairness. These terms have been split into two groups:

The most unfair terms were felt to be:

- Having to pay to print off a boarding pass;
- Having the return flight cancelled if the outbound flight is not used and the airline not contacted; and
- Having to pay to choose a seat in advance of the day of the flight.

The terms which were felt to be unfair but not very unfair are:

- Not receiving a refund for a flight that the passenger has cancelled;
- Flight time changing by less than two hours and not having a right to a refund;
- Having to pay to change a name on a flight; and
- No compensation for additional services that were expected but not available.

General recommendations from focus group discussions

The link between awareness and fairness suggests that there should be a concerted effort to ensure that more consumers read terms and conditions before booking a flight, with relevant, key terms easy to find and easy to understand or that terms are fairer so that those who do not read them do not suffer any detriment as a result.

Airlines should be encouraged to review the charges levied so that they are closer to the amounts that consumers consider reasonable, and/or be transparent about how the charges are calculated so that consumers are assured that they reflect the cost to the business.

Airlines should also be encouraged to provide some refund to passengers cancelling a flight if they either re-sell the cancelled ticket or have sufficient time to be likely to sell the ticket.

Ideally the practice of cancelling a return flight if the outbound flight is not used should be ended or strongly discouraged, however if this is not desired the term would be considered fairer by consumers if awareness was raised about this during the booking process and by contacting passengers who do not use their outbound flight to establish whether or not they want to use the return flight.

The practice of charging for seat allocation should be reviewed where there is a compelling reason for a group to be sat together i.e. a family travelling with children.

In general, greater awareness of the terms highlighted in this report would reduce/remove the feeling amongst many consumers that certain term is use by the airline community are potentially unfair and/or frequently unexpected.

3. Awareness and general attitudes towards terms and conditions

When unprompted, 1% of customers in the survey mentioned terms and conditions/small print when asked what information, other than price, they recalled being presented with them when going through the process of booking a flight. There were no significant differences when looking at how long ago customers booked their flight (e.g. less than a month ago compared with 7-9 months ago), indicating this is not necessarily an issue of recall. Passengers were asked in an open-format what information, if any, that isn't currently presented would they wish was presented. Less than 1% mentioned terms and conditions/small print specifically, with most citing information regarding the: 1) seating, such as the plan, allocation and extra charges for selection; 2) flight information, such as details of meals, available capacity and route; and/or 3) luggage allowance. When prompted, 76% of customers were aware that they have the opportunity to read airline's terms and conditions during the booking process. This suggests that while there is a general awareness of terms and conditions, it is not a piece of information that is top of mind for customers.

Of those customers in the survey who are aware that airlines present terms and conditions, there are differing degrees to which they read them, with nearly half stating they read some of the terms and conditions. There were significant differences among age groups and those that travelled most recently with/without travel insurance (Figure 1). Customers over the age of 59 and those who took travel insurance out for the last holiday were most likely to read some or all of airlines' terms and conditions during the booking process. A fifth of customers feel that airlines are pro-active in communicating their terms and conditions during the booking process, however, the largest group is those who are neutral (rated pro-activity 3/5). In the qualitative research it was felt that some airlines (typically long-haul and premium carriers) were more pro-active in highlighting some terms and conditions whereas short haul carriers were felt to be less pro-active.

"I've seen it (terms and conditions) and you kind of had to press tick, but I don't read it to that extent of going through it, but I am aware of it."

41+ Short Haul, Infrequent, Cardiff

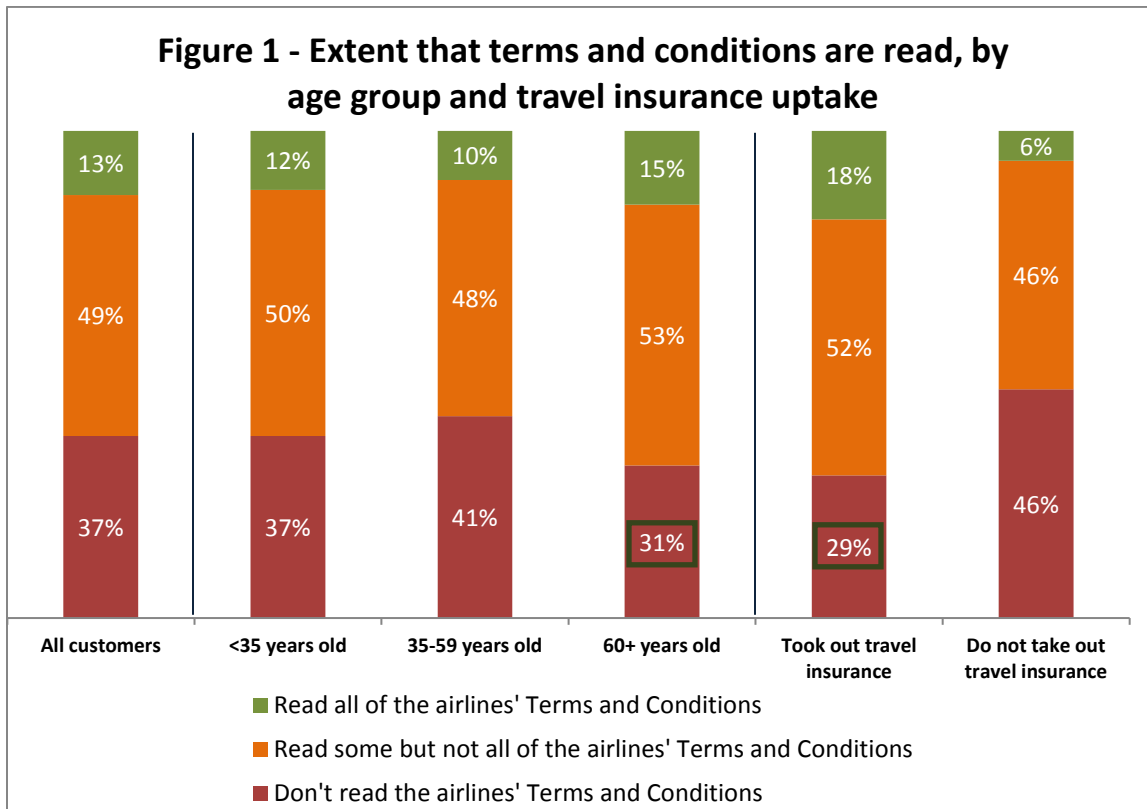
"I've looked at the changing of names, where you have to pay £50"

41+ Long Haul, Frequent, Newcastle

Of those who read at least some of the airline's terms and conditions, 28% felt that the language used was easy and an almost equal proportion - 27% - rated the language as difficult to read. There is a relationship between ease of language and extent to which terms and conditions are read: 32% of customers who find the language easy also read all of the airlines' terms and conditions compared to 13% for customers who found the language difficult. Participants in the qualitative research said that

they were put off reading terms and conditions which were written in complex language using jargon and when the information was in small print and not clearly delineated by the use of bold/underlining.

A fifth of customers were surprised after booking a flight by something in the airline’s terms and conditions. This was especially common among those under 60, reflecting a similar demographic relationship for the extent to which T&Cs are read.



4. How consumers feel about certain terms and conditions

4.1 Changing a name on a booking

From the survey, 10% of customers have changed or corrected a name on a booking/ticket and incurred a fee as a result in the last three years. Participants in the focus groups were typically aware that airlines could charge to change a name, however this tended to be due to experience or from word of mouth rather than from seeing information at the time of booking. Customers in the survey who typically read all of the terms and conditions when going through the process of booking a flight were significantly less likely to have had this issue, suggesting that those who are fully aware of the terms and conditions approach the inputting of passenger names more carefully than those who are not.

Participants typically felt that the information about charges for name changes was not clear at the time of booking and often thought that it was important to highlight clearly before submitting the names that they are correct and inform customers of any associated charges. This was reinforced by the survey findings, with half of customers who faced this issue rating the forewarning by the airline during the booking process as unfair. Some thought that carriers of the short haul flights were more likely to charge for name changes than long haul carriers. The reason given for this was that long haul flights were usually more expensive than short haul and that they expected a greater degree of service from long haul carriers which included not being charged for changing names.

A distinction was often made in the qualitative research between correcting a spelling mistake and changing the passenger with some expecting to pay or pay a higher amount to change the passenger. Some rationalised that a cost for changing the passenger name was fair since it made it less likely that people would buy cheap fares and then sell them to others nearer the date of departure. Exceptionally, some did not think that there should be a charge at all for changing the name of a passenger if the passenger changed the name themselves and tickets had not been issued. They did not believe that any cost was incurred by the airline in this circumstance. This was also reflected in the survey findings where only 18% felt that no charge at all was appropriate.

Where charges were made for changing a name or correcting spelling mistake participants often viewed these as punitive costs rather than reflecting the actual cost to the airline and therefore felt that they were unfair. There were frequent calls for the costs imposed for changing names/spelling mistakes to be in line with the actual costs to the airline and that airlines should be more transparent about the costs involved. In the quantitative findings, the cost incurred was perceived negatively by customers who had experienced this issue, with 60% rating it as unfair. Most customers (53%) felt that a charge of £1-£10 would be fair.

“The £30 or £50 fee seems a bit harsh if you’ve just spelt your name wrong. You’re the same person. Your passport number is the same, and everything.”

Short Haul 18-40, infrequent flyer, London

4.2 Non-refundable tickets

In the quantitative research, 9% of customers had experienced cancelling a flight but not being able to claim a refund in the last three years. In common with name changes, typically participants in the focus groups assumed that tickets were non-refundable but usually had not seen specific information about this when they were making the booking process. This was particularly likely to be the case for short haul participants who associated the usually lower cost with not having the right to a refund. Some were unaware of whether or not their flight was refundable or not (particularly those who were long haul customers who thought that because of the typically higher cost that they would be entitled to a refund of some or all of their fare).

There were a range of opinions about the fairness of non-refundable tickets. Participants in the focus groups purchasing low cost fares were more likely to think that having tickets that are non-refundable is fair whereas those who had bought more expensive tickets were more likely to think that they were unfair.

Exceptionally, some participants compared air fares with other products and services and believed that they should be refundable. Other participants felt that there should be a cooling off period of a few days after buying the flight so that people could change their mind without losing all of their money.

“Non-refundable tickets were often felt to be fair if the tickets were clearly marked ‘non-refundable’.”

41+ Long Haul, Frequent Newcastle

4.3 Refunds for cancelled flights

As mentioned earlier, focus group participants often thought that no refunds were available for cancelled flights. Some were aware that some taxes were refundable, although this information was usually met with surprise.

Participants often commented that they thought the length of time between cancelling the flight and the scheduled departure date should have a bearing on the amount of refund payable. Some recognised that it would be more difficult for an airline to sell a ticket nearer the departure date.

Participants commonly thought that it was unfair to not receive any refund if the airline re-sells the seat as this was viewed as profiting twice from the customer. Participants in the focus groups were shown information stating that if the flight was cancelled more than 60 days before the departure date than

they would receive a greater proportion of the flight cost than if it was less than 60 days as it was easier to sell the seat. This policy was felt to be fair. Some thought that the customer should receive a refund if the airline sells their seat; however there was scepticism about whether or not the airline would honour this arrangement.

“Maybe if they resell the seat, then you could get your full refund because they’ve already got the money back. If they can’t resell your seat, then you lose out.”

Short Haul 18-40, infrequent flyer, London

Where airlines had different flight options with variable levels of flexibility this was felt to raise awareness and provide some clarity on whether it was possible to cancel a flight or change the date of a flight. One example was shown to focus group participants which was felt to be clear in terms of highlighting that some tickets are flexible. In this example, consumers were shown different ticket types for the same flight with the characteristics of the different types displayed in a pop-up box when the mouse hovers over an option. In this scenario, however the lowest fare did not indicate whether or not this had any degree of flexibility within it. Whilst participants assumed that the lowest fare was not flexible there was a preference for being explicit about this in the hover boxes.

4.4 Cancelling return flight if outbound flight is not used

Only 3% of customers surveyed had experienced the issue of a return ticket being cancelled because the outbound flight was missed and participants in the focus groups were typically unaware that airlines could cancel a return flight if the outbound flight was not used and the airline was not contacted. When it was explained to participants in the focus groups that airlines adopted this practice it was felt to be very unfair. Participants thought that if they had paid for a return flight they should be able to use it regardless of whether they used the outbound ticket.

“If you take the train ticket, your return ticket comes in two halves. Although you don’t get two halves of the plane ticket, it’s essentially the same thing, isn’t it? I could get on one train and not take the one back or vice versa, so why can’t I do that with my plane ticket”

Long Haul, 18-40, frequent flyer, Glasgow

There were mixed views on whether participants thought that they would inform the airline in advance of the return flight.

“I wouldn’t think that you’d have to contact the airline to say, ‘sorry, I’ve not flown out on this one but don’t cancel my flight”

Short haul 18-40, infrequent flyer, London

Participants strongly believed that the airline should make this policy visible to customers before they purchased a return flight. Some suggested that the airline should contact the customer if the customer does not use the outbound flight to ask if they still want to use the return trip.

4.5 Clarity of information about refund fees

Participants in the focus groups were shown an example of how an airline summarises its refund policy on an FAQ page on the website and asked to comment on how clear they thought the information was. Overall participants felt that the information was clear, however some would have preferred to only have information which is pertinent to the type of flight they are purchasing to avoid any confusion between ticket types.

“I think the information is pretty clear. The only thing I would say, it’s got ‘Lowest’ and ‘Flexible’. When you hover over the lowest, it just says ‘Lowest flights’ or ‘The cheapest fares’. It doesn’t say whether it’s non-refundable”

Long haul, infrequent, 18-40

4.6 Boarding passes – charge for printing at airport

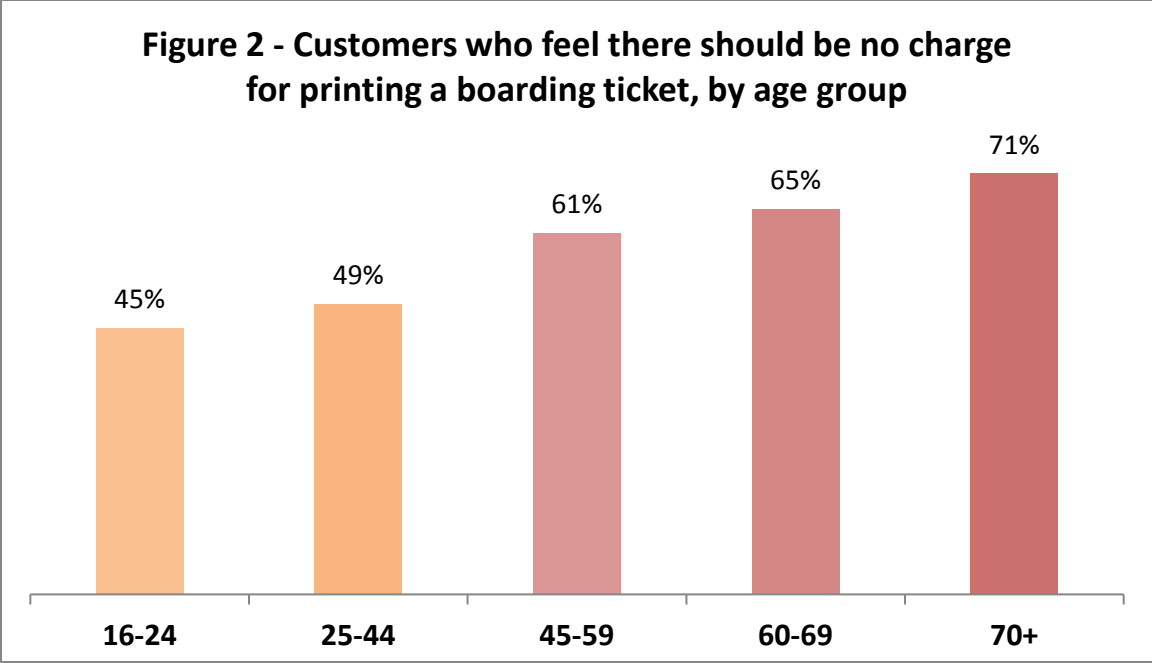
Just over one in ten (13%) of customers surveyed have paid a fee to print a boarding ticket in the last three years. Customers who had experienced this issue were more likely to be below the age of 60, contrasting with perceptions of some focus group participants that older passengers could be most exposed to this issue due to a perception that they may be less likely to be internet savvy, have a printer or a smartphone. Holidaymakers who also travel frequently for business (twice or more a year) were more likely to have had to print a boarding ticket and pay a fee in the past three years. The quantitative findings suggest that it is more probable that customers who have faced this problem have done so because they have overlooked printing the ticket, rather than as a result of low technology literacy which is often associated with older customers.

Participants in the focus groups typically felt that paying to print a boarding pass at the airport was unfair if it was more than the cost to the airline. Some thought that the practice of charging to print boarding passes was exploitative or punitive and did not reflect the cost to the airline of printing off a boarding pass. Most customers (57%) in the survey who had experienced this issue felt the cost incurred to be unfair. Some participants in the focus groups also thought that it was very difficult to print off a boarding pass in a foreign country due to limited access to printing facilities which made return journeys particularly vulnerable to having to pay to print boarding passes.

Participants thought that airlines should make it very clear that passengers need to print off their boarding passes before flying or hold these on an electronic device. If a boarding pass was needed participants felt that a nominal charge (up to £5 was frequently mentioned) was acceptable, although in the survey the majority of customers (55%) felt there should be no charge at all for printing a boarding ticket and age strongly shaped these views, with older customers being more likely to feel there should not be a charge (Figure 2). Participants in the focus groups were willing to accept a higher charge if the airline could demonstrate that the charge they make is a true reflection of the cost to them of providing this service.

“I think it’s frustrating when you can’t print off your boarding pass for your return flight before you depart because sometimes that’s out of your control”

Long Haul, infrequent, 18-40



4.7 Seat charges

Participants in the focus groups were generally aware that some carriers charge for reserving specific seats and from the survey, this was the most prevalent issue faced by customers, with 28% stating they had experienced having to pay an additional fee to guarantee sitting with others they were travelling with in the last three years. This issue was most common among customers who travel with children and those who stated they generally find the language of airlines’ terms and conditions difficult to understand. It was also the issue most common among those who said that they had been surprised by an airline’s terms and conditions in the past.

Whilst paying a fee was felt to be acceptable to secure additional legroom it was typically felt to be unfair to charge for reserving seats to ensure that a party can sit together. It was felt to be particularly important for families to sit together especially when they have young children (under 10) as it represents a safety risk to the children during a flight, reflecting the incidence in the survey of passengers with children who had experienced this issue. Some focus group participants with children had felt pressurised to reserve seats in advance to avoid the possibility of not sitting next to each other. Other families had not been able to sit next to each other on a flight due to not booking seats in advance and this had resulted in parents and children being anxious on the flight.

60% of customers in the survey who had experienced this issue rated the cost incurred as unfair. Focus group participants thought that the fairest way of allocating seats was to allocate these as they are purchased so that customers can see which seats are left and can then make an informed decision about whether or not to travel on that flight. Participants felt that at the very least families with children should sit next to each other without having to pay to guarantee this.

“I’d totally abolish the whole ‘paying to sit with people’. What I think it is, obviously, you’ve got families with young kids-, what I’m saying is, like the theatre thing, when you book the ticket, if you’re lucky enough to book it early then you choose the best seats on the plane together. If you book it at the very last moment, obviously, you’re not going to be able to choose it so that’s fine”

Short Haul 18-40, infrequent flyer, London

In the survey, judgements about what constitutes a fair charge ranged from little to nothing: 43% believed that £1-10 is a fair charge and 42% of customers felt that there should be no charge for guaranteeing to sit with others.

4.8 Flight changes

Participants in the focus groups tended to be aware that the airline could change the times of a flight without providing a refund and 11% of customers surveyed had experienced this issue in the last three years.

Focus group participants tended to think that this term was fair provided that this was less than 2 hours; warning was given and that there would be special provision for those who had connecting flights or had a fixed appointment which they needed to attend. Time changes of over 2 hours were felt to be problematic because they could reduce the duration of a holiday, arrive at an inconvenient time e.g. in the middle of the night and make it more likely to miss connecting flights.

“I think if you can prove it’s going to have a detrimental effect on something else you’ve booked, whether it be another flight, whether it be transfers to a hotel, if you can prove that, they should either change your flight to an earlier flight that allows you to make those or give you a refund.”

Long Haul, 18-40, frequent flyer, Glasgow

4.9 Additional services

In the survey, 12% of customers stated that they had experienced in the last three years an airline not providing the services or items that were advertised. This issue was more common among customers under the age of 60.

Some participants generally felt that the in-flight experience offered was an important reason for choosing one carrier over another and some were prepared to pay a premium for high quality in-flight services. However other participants felt differently, considering it not to be a problem – especially within the context of other scenarios that had been discussed - unless it impacted on specific passenger needs; most notably dietary requirements if the meal promised was not provided. Participants felt that their entitlement to compensation should be linked to the severity of the inconvenience incurred. Changes to film schedules or menus were not felt to warrant compensation however broken

entertainment screens were felt to have a profound effect on the in-flight experience and therefore warrant compensation or an upgrade.

“I was on a flight to China that was, like, however many hours it was, eleven, when I got on, my TV wasn’t working and the flight was fully booked and there was nothing they could do. I hadn’t bought anything with me because I’d already checked out what films, and I was in a middle seat as well, so I was sat like this for twelve hours. They didn’t give me, like, there was nothing they could give me because they said it’s over and above your price, like you pay for the flight and the in-flight entertainment is just over and above that”

Long Haul, 18-40, frequent flyer, Glasgow

5. Dimensions of fairness

Participants in the focus groups discussed what they thought the drivers of fairness in terms and conditions were. Three elements emerged from the discussions

The difference between the perceived cost to the carrier and the cost to the customer – participants felt it was unfair when they thought the airline was profiteering from the circumstances they found themselves in e.g. needing a boarding pass, correcting a name, cancelling a flight etc. Many of the costs associated with the terms and conditions were felt to be much higher than their perceptions of the actual cost to the carrier. Participants wanted greater parity in charges between what it costs the carrier and the cost to the passenger. Participants felt that if airlines were more transparent about the actual costs to themselves then even if this was higher than passenger perceptions these charges would be more likely to be accepted and considered fair.

Prominence of important information – participants said that they often do not read the terms and conditions which they thought were written in jargon and were too numerous to assimilate. Where information was presented in a clear and transparent way this was felt to make the terms and conditions fairer as passengers were able to make an informed decision about whether or not to purchase a ticket. Participants in the focus groups were shown a number of examples of how different carriers present information about their flights. An example of a clear and transparent way of showing what is included in a given flight is shown overleaf. This was felt to be clear as it explained the differences between a range of fare types.

“I just think, ‘Oh, I can’t be bothered to read through all of this, and I just click the box.”

41+ Long haul, frequent flyer Newcastle

“It’s small writing, so they know it’s not an accessible, visible thing for you to read. You have to click on the link to go to another page to even see it. There should be a way of highlighting the main things that regularly kind of occur. So, like, non-refundable tickets, cancellations on their part, cancellations on your part”

Short haul, frequent flyer, Cardiff

Cost of flight – Participants in the focus groups thought that the higher the cost of the flight the more unfair it was to lose the full cost of a flight due to cancellation or needing to change flights (including where the airline changes the time of a flight). Participants who had purchased inexpensive flights (under £50) often thought that it was fairer to lose the money that they had spent on their flight if they needed to change or cancel a flight. Exceptionally some participants felt that cost was irrelevant to whether or not a term or condition was fair. The cost of a flight tended to also be associated with levels of customer service. Participants often expected a greater degree of flexibility with premium carriers and on long haul flights which tended to be more expensive and therefore they felt that it was more unfair if they were out of pocket due to terms and conditions.

Moderator – “What if anything is a reasonable charge for printing off a boarding pass?”

Participant “Zero, especially if you paid, like £800 for the flight.”

Short haul, frequent, 18-40 Cardiff

6. Relative fairness of terms and conditions

Following a discussion about a range of terms and conditions, participants in the focus groups were asked to discuss their relative fairness and arranged the terms in order from fair to unfair. None of the terms and conditions discussed were generally felt to be absolutely fair.

The most unfair terms were felt to be:

- Having to pay to print off a boarding pass. The survey findings reinforced this, with more customers rating this as 'not at all fair' across the three different dimensions of fairness than any other term/issue (Figures 3-5)
- Having the return flight cancelled if the outbound flight is not used and the airline not contacted (not represented in the Figures below as this only affected a small number of respondents but the possibility of it occurring was felt to be very unfair by focus groups participants)
- Having to pay to choose a seat in advance of the day of the flight. Customers in the survey rated the justification provided by airlines for this term/issue as being particularly unfair (Figure 4)

The terms which were felt to be unfair but not very unfair are:

- Not receiving a refund for a cancelled flight. From the survey results, this term was rated less negatively than most other terms, particularly with regards to the justification provided by airlines for having this term (Figure 4)
- Flight time changing by less than two hours and not having a right to a refund
- Having to pay to change a name on a flight. This was also rated less negatively than most other terms, particularly with regards to the justification provided by airlines for having this term (Figure 4)
- No compensation for additional services e.g. if in-flight entertainment not provided (this was felt to be fairer for short haul customers and less fair for long haul customers). Although the forewarning given by airlines of this term and the justification for having the term was rated comparatively low by customers (Figures 3-4), the cost implications were not perceived as negatively (Figure 5) – demonstrating the importance of the financial impact of terms on how customers perceive the overall fairness of terms and conditions.

Figure 3 - Forewarning of potential issue during booking process

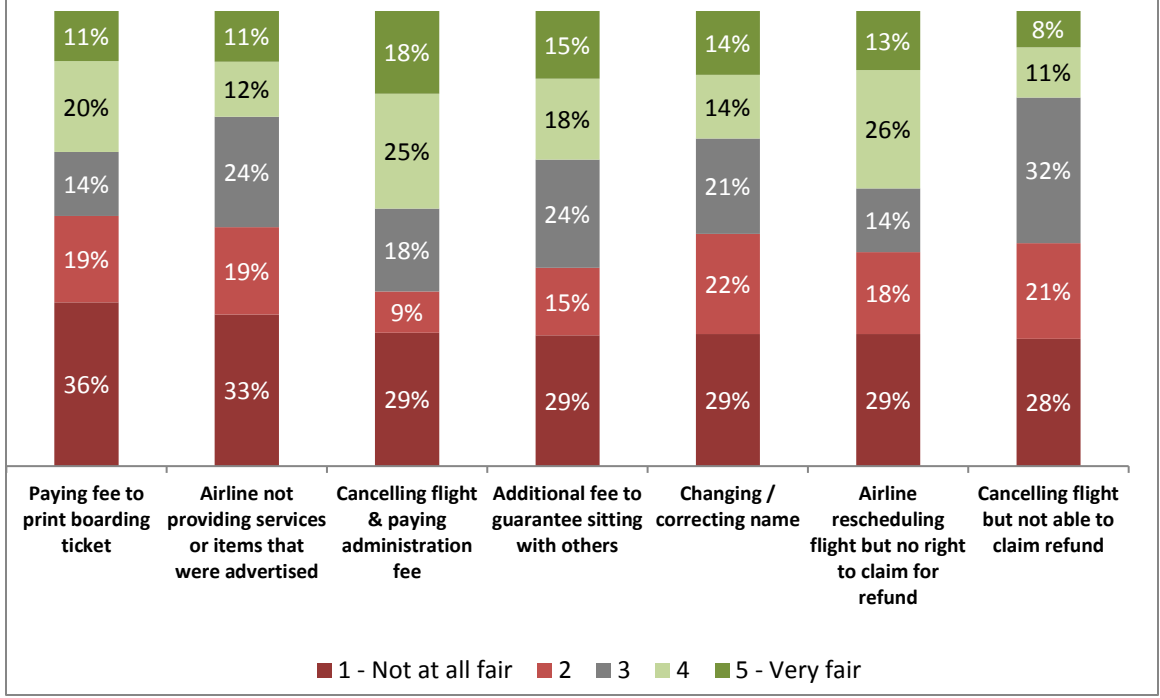


Figure 4 - Justification for why there was an issue / charge

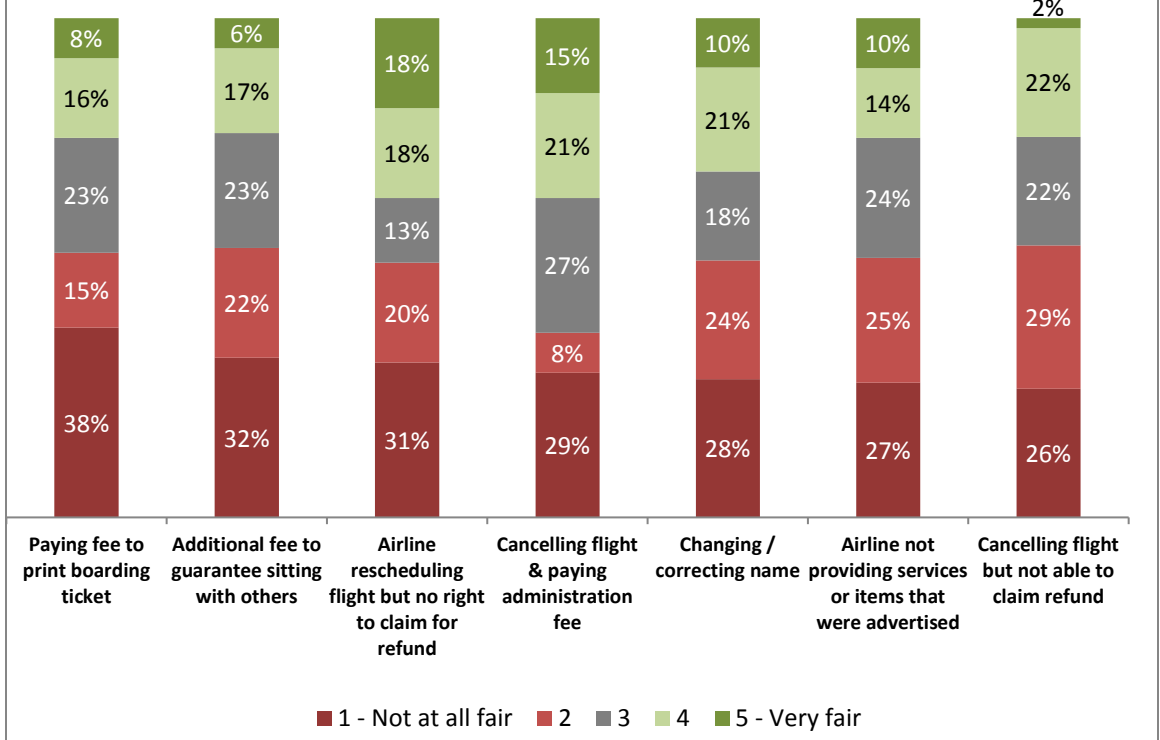
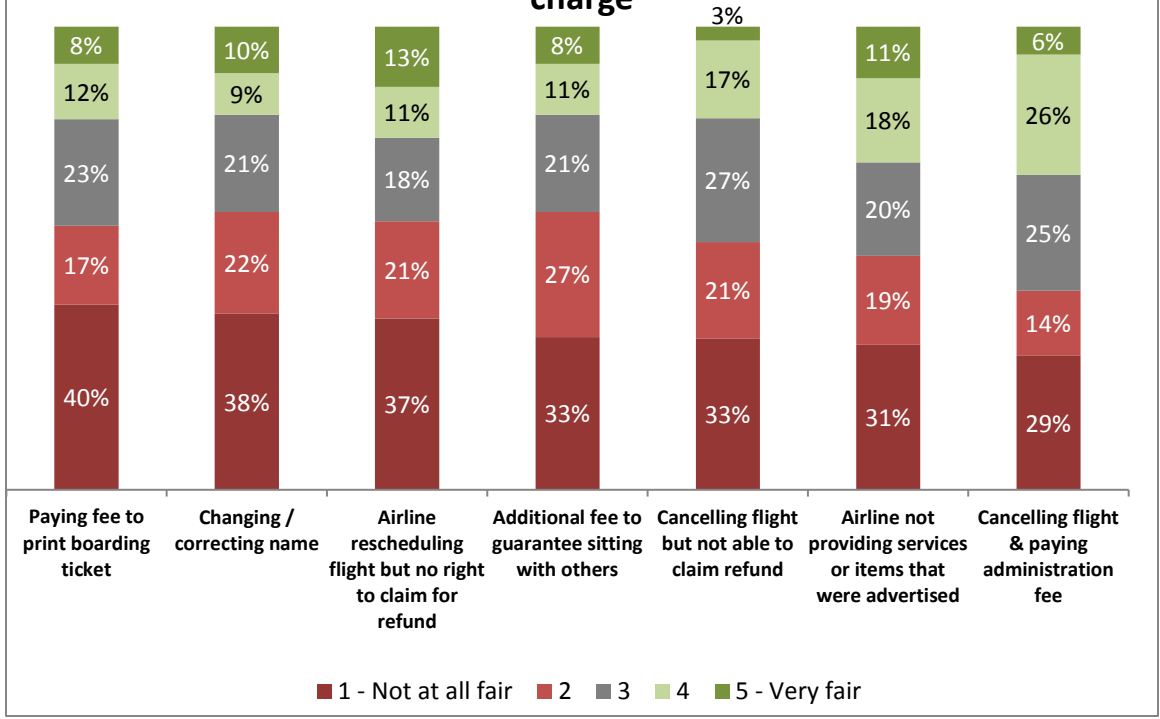


Figure 5 - The cost incurred as a result of the issue / charge



7. Summary and recommendations

- **Finding:** One of the main issues emerging from the research relates to the degree to which terms and conditions are read by consumers. Nearly four in ten consumers do not read them at all and under half (49%) read some but not all.

Recommendation: Airlines should carefully consider how they can increase the proportion of customers who read the terms and conditions before booking their flight. It is also important that the general fairness of terms is assured so that consumers are not disadvantaged by having not read them in full.

- **Finding:** Costs associated with the terms and conditions were felt to be excessive in relation to the perceived cost to the airline.

Recommendation: Airlines should review their charges so that they are more in line with what customers consider to be reasonable e.g. between £1-10 was considered fair for changing a name. If the charge needs to be higher than this, airlines should be transparent about how the charges are calculated.

- **Finding:** There was a low awareness of being able to claim the air passenger duty back on cancelled flights.

Recommendation: Airlines should be encouraged to highlight this in the terms and conditions and FAQs relating to cancelling flights and to make consumers aware when cancelling. Ideally airlines would be proactive in processing a refund.

- **Finding:** Non-refundable tickets were understood to be the norm but considered unfair if there was a chance that the airline later resold the cancelled seat.

Recommendation: Participants in the focus groups felt that it would be fair for a proportion of the cancelled ticket cost to be refunded to the passenger if the airline went on to re-sell the seat, or that a proportion of the ticket cost was refunded if there was sufficient time for the airline to expect to re-sell the ticket. Airline should consider how best to address this point.

- **Finding:** Cancelling a return flight if the outbound flight is not used was felt to be very unfair.

Recommendation: Ideally this practice should be ended or strongly discouraged, however if this is not desired the term would be considered fairer if awareness was raised about this during the booking process and by contacting passengers who do not use their outbound flight to establish whether or not they want to use the return flight.

- **Finding:** The charges to choose seats were felt to be unfair by the majority of those who had been affected by this issue (60%).

Recommendation: For the safety and comfort of passengers, it should be possible for families with children under the age of 18 to sit together at no extra charge if desired.

- **Finding:** Flight changes over 2 hours without compensation was felt to be unfair as this resulted in inconvenience and could have significant impacts on connected travel/holiday arrangements.

Recommendation: Airlines should be encouraged to offer compensation or alternative flights for flight changes in excess of 2 hours as well as offering compensation for flight changes less than 2 hours where the customer would miss a connection or other time sensitive appointment.

- **Finding:** There were mixed responses to not being given some of the additional services advertised by airlines on a flight.

Recommendation: Airlines that do not already do so should be encouraged to offer some compensation if additional services are not provided and to make consumers aware that the services may not be available so that alternative arrangements can be made by the consumer if necessary.

8. Appendices

8.1 Questionnaire

SECTION A – Introduction and Screener

Thank you for taking part in our survey. The survey should take 5-7 minutes to complete depending on your answers. Any answer you provide will be confidential and anonymous, in accordance with the Market Research Society Code of Conduct.

ASK ALL

A1. When was the last time you personally booked a flight with an airline to go on holiday?

SINGLE CODE

Less than a month ago	1	CONTINUE
1-3 months ago	2	CONTINUE
4-6 months ago	3	CONTINUE
7-9 months ago	4	CONTINUE
10-12 months ago	5	CLOSE
More than a year ago	6	CLOSE
Never	7	CLOSE

ASK ALL

A2. How did you book this flight?

SINGLE CODE, RANDOMISE EXCEPT OTHER

Online	1
Telephone	2
Face-to-face	3
Other (please specify)	97

ASK ALL

A2b. And who did you book this flight with?

SINGLE CODE, RANDOMISE EXCEPT OTHER

Directly with an airline operator or tour operator	1
Travel agent (inc. an online travel retailer)	2
Other (please specify)	97

ASK ALL

A3. Do you, or does anyone else in your household, work in any of the following industries?

MULTI CODE. RANDOMISE EXCEPT NONE OF THE ABOVE.

Banking	1	CONTINUE
Air travel	2	CLOSE
Construction	3	CONTINUE
Manufacturing	4	CONTINUE
Advertising	5	CONTINUE
Market Research	6	CLOSE
Consumer bodies or watchdogs	7	CLOSE
Journalism	8	CLOSE
Travel agency	9	CLOSE
Retail	10	CONTINUE
None of the above	11	CONTINUE

ASK ALL

A4. Are you...?

SINGLE CODE

Male	1
Female	2

ASK ALL

A5. Please type in what your age was on your last birthday

WRITE IN. LIMIT TO TWO DIGITS.

ASK ALL

A6 Which of the following regions do you live in?

SINGLE CODE

North East	1
North West	2
Yorkshire & Humber	3
East Midlands	4
West Midlands	5
East	6
South East	7
South West	8
London	9
Wales	10
Scotland	11
Northern Ireland	12

ASK ALL

A7 Which of the following groups does the Chief Income Earner in your household belong to?

- The person in the household with the largest income is the Chief Income Earner, however this income is obtained.
- If the Chief Income Earner is retired and has an occupational pension, please select according to the previous occupation.
- If the Chief Income Earner is not in paid employment and has been out of work for less than 6 months, please select according to previous occupation.

SINGLE CODE

Semi or unskilled manual worker (e.g. Manual jobs that require no special training or qualifications: Manual workers, Apprentices to be skilled trades, Caretaker, Cleaner, Nursery School Assistant, Park keeper, non-HGV driver, shop assistant etc.)	1
Skilled manual worker (e.g. Skilled Bricklayer, Carpenter, Plumber, Painter, Bus/Ambulance Driver, HGV driver, Unqualified assistant teacher, AA patrolman, pub/bar worker, etc.)	2
Supervisory or clerical/Junior managerial/Professional/administrator (e.g. Office worker, Student Doctor, Foreman with 25+ employees, sales person, Student Teachers etc.)	3
Intermediate managerial/ Professional/ Administrative (e.g. Newly qualified (under 3 years) doctor, Solicitor, Board director small organisation, middle manager in large organisation, principal officer in civil Service /local government etc.)	4
Higher managerial/Professional/Administrative (e.g. Established doctor, Solicitor, Board Director in large Organisation (200+ employees, top level civil servant/public service employee), Headmaster/mistress, etc.)	5
Student	6
Retired and living on state pension only	7
Unemployed (for over 6 months) or not working due to long term sickness	8

SECTION B – Awareness

ASK ALL

B1. When you go through the process of booking a flight, what information other than the price are you presented with? Please list as many types of information as you can recall.

Type in
Type in

Type in

PROGRAMMING INSTRUCTION: ALLOW TO INPUT IN AS MANY TEXT BOXES AS DESIRED

ASK ALL

B2. What types of information, if any, that aren't currently presented do you wish were presented when deciding what flight to book?

Type in	
Type in	
Type in	
None	99

PROGRAMMING INSTRUCTION: ALLOW TO INPUT IN AS MANY TEXT BOXES AS DESIRED

ASK ALL

B3. When customers go through the process of booking a flight, they are given the opportunity to read the airline's Terms and Conditions before completing payment.

Is this something you were aware of, before today?

SINGLE CODE

Yes	1
No	2
Not sure/can't remember	99

SECTION C – Reading T&Cs

ASK ALL WHO ARE AWARE OF AIRLINE T&Cs (B3 = 1)

C1. When you make holiday travel arrangements, in general, do you read the airlines' Terms and Conditions before paying?

SINGLE CODE

Yes, I read all of the airlines' Terms and Conditions	1
Yes, I read some but not all of the airlines' Terms and Conditions	2
No, I don't read the airlines' Terms and Conditions	3
Not sure/can't remember	99

SECTION D – Experience of and attitudes towards T&Cs and pro-activity of airlines**ASK ALL**

D1 How pro-active or not pro-active are airlines in communicating their Terms and Conditions during the booking process?

SINGLE CODE

Not at all pro-active	1
	2
	3
	4
Very pro-active	5
Don't know	99

ASK ALL WHO READ SOME OR ALL OF THE T&Cs (C1 = 1 OR 2)

D2 How easy or difficult is it to understand the language used in airlines' Terms and Conditions?

SINGLE CODE

Very difficult	1
	2
	3

	4
Very easy	5
Don't know	99

ASK ALL

D3 Have you ever been surprised after booking a flight by something in the airline's terms and conditions?

SINGLE CODE

Yes	1
No	2

ASK ALL

D4. In the last three years, have you experienced any of the following situations when booking a holiday flight online?

Please select all that apply.

MULTICODE, RANDOMISE EXCEPT NONE OF THE ABOVE.

Changing or correcting a name on a booking/ticket and incurring a fee as a result	1
Cancelling a flight but not being able to claim a refund	2
Cancelling a flight and paying an administrative fee	3
Paying a fee to print your boarding ticket	4
Paying an additional fee to guarantee sitting with others you are travelling with	5
The airline rescheduling your flight but not giving you the right to claim for a refund	6
The airline not providing the services (e.g. In-flight entertainment) or items (e.g. working headphones) that were advertised	7
Your return ticket being cancelled because you missed an outbound flight	8
None of the above (SINGLE CODE)	9

FOR EACH STATEMENT SELECTED AT D3

D5 Thinking about when you experienced <INSERT ISSUE FROM D3>, how fair or unfair did you feel the airline handled the situation based on the following aspects:

(If you have experienced this more than once in the past three years, please think about the most recent time it happened)

SINGLE CODE PER STATEMENT

	1- Not at all fair	2	3	4	5 – Very fair	99 – Not applicable
Forewarning of the potential issue/charge during the booking process						
The justification for why there was an issue/charge						
The cost incurred as a result of the issue/charge						

FOR EACH STATEMENT SELECTED AT D3

D6. With what airline did you book through when you experienced <INSERT ISSUE FROM D4>?

SINGLE CODE, RANDOMISE EXCEPT OTHER

Aer Lingus	1
British Airways	2
Easyjet	3
Emirates	4
Flybe	5
Jet2.com	6
KLM	7
Lufthansa	8
Monarch Airlines	9
Norwegian Air Shuttle	10

Ryanair	11
Thomas Cook Airlines	12
Thomson Airways	13
Virgin Atlantic Airways	14
Wizz Air	15
Other (please specify)	97
Don't know	99

ASK ALL

D7. What would you say is a fair fee or charge if you were to encounter any of the following situations?

Changing or correcting a name on a booking/ticket and incurring a fee as a result	<i>£ Input</i>	99 – Don't know/ not sure
Cancelling a flight and paying an administrative fee	<i>£ Input</i>	99 – Don't know/ not sure
Paying a fee to print your boarding ticket	<i>£ Input</i>	99 – Don't know/ not sure
Paying an additional fee to guarantee sitting with others you are travelling with	<i>£ Input</i>	99 – Don't know/ not sure

PROGRAMMING INSTRUCTION: DO NOT ALLOW ANY MORE THAN THREE DIGITS TO BE INPUTTED

SECTION E – Closing

ASK ALL

E1. Thinking about the last flight you booked to go on holiday, who else, if anyone, did you book the flight for?

Please select all that apply.

MULTI CODE

No-one – I booked only for myself	1
Partner/spouse	2

Children	3
Other friends or relatives	4

ASK ALL

E2. Which of the following airlines did you travel with?

SINGLE CODE, RANDOMISE EXCEPT OTHER

Aer Lingus	1
British Airways	2
Easyjet	3
Emirates	4
Flybe	5
Jet2.com	6
KLM	7
Lufthansa	8
Monarch Airlines	9
Norwegian Air Shuttle	10
Ryanair	11
Thomas Cook Airlines	12
Thomson Airways	13
Virgin Atlantic Airways	14
Wizz Air	15
Other (please specify)	97
Don't know	99

ASK ALL

E3. Was the booking for a long haul (longer than four hours) or short haul (up to three hours) flight?

SINGLE CODE

Short Haul (up to three hours)	1
Long Haul (longer than 4 hours)	2
Don't know/can't remember	99

ASK ALL

E4. Still thinking about the last flight you booked to go on holiday, did you purchase travel insurance that covered all or some of the ticket price in the event that the flight was cancelled or due to other reasons specified in the policy?

SINGLE CODE

Yes	1
No	2
Don't know/can't remember	99

ASK ALL

E5. On average, how often do you book air travel arrangements for holidays?

SINGLE CODE

Less often than once a year	1
Once a year	2
Twice a year	3
Three times a year	4
More often than three times a year	5

ASK ALL

E6. On average, how often do you book air travel arrangements for business?

SINGLE CODE

Less often than once a year	1
Once a year	2
Twice a year	3
Three times a year	4
More often than three times a year	5

Thank you for participating in this survey. Please click '>>' to submit your answers.