

CAA Consumer Panel

Annual Report for the year ended
31 March 2020



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About the CAA Consumer Panel

Who we are

The CAA Consumer Panel is a group of eight independent experts, who bring together deep consumer expertise and experience along with strategic thinking, applying these in a practical way to improve the aviation experience for consumers. The Panel members' biographies can be found at the end of this document.

What we do

The Panel acts as a non-statutory critical friend, giving expert advice to the CAA as policy is being developed, and making sure the consumer interest is central. The Panel's objective is to champion the interest of consumers.

The key activities of the Panel are to:

- Help the CAA to understand fully, and take account of, the interests of consumers in its policy development and decisions.
- Use existing CAA research, request the CAA undertakes new targeted research, and gather intelligence, in order to understand the aviation consumer experience.
- Provide the CAA with feedback from a consumer perspective on the effectiveness of its policies and practices.

Internally, in March 2020 the Panel moved to a new home within the CAA, along with our secretariat, from the Strategy and Policy Department to the Consumers and Markets Group. This will enable the Panel to develop a closer relationship with the area of the CAA that works most closely with and on behalf of consumers, while maintaining our independence and looking at work across the whole organisation.

Our remit

The Panel focuses on the interests of current and potential aviation consumers. Citizen or community issues, such as noise from flightpaths, do not fall under our remit.

Chair's Foreword

This Annual Report sets out the work of the CAA Consumer Panel in 2019/20 to ensure that the consumer voice was heard and addressed in key aspects of the aviation market.

However, as I write, the world is facing an exceptionally challenging time with the coronavirus, which will have a long term impact on the aviation sector and will alter the focus of our work in the months and years to come. It is changing the way we all live and work, and whilst we do not know how long the crisis will last, it is clear that the impact will be felt by airlines, airports, the CAA and consumers well into the future. It is also clear that there will be considerable impacts on consumers and the Panel will work to help ensure that these impacts are properly understood and addressed. This report focuses on the work we undertook last year and should be read in that context.

In 2019-20 a key area of focus for the Panel was current and future developments in the use of data and the impact on consumers. This will be at the heart of many developments in the years to come and we looked at both the benefits and risks of increasing use of data by industry, as well as where increased or new regulation may be needed. We had very interesting sessions with external organisations, looking at where there are opportunities to create significant benefits to consumers, but also tried to identify where there are specific gaps in regulation that affect aviation consumers. The outcome of this work has been fed into the CAA.

During the year, not long after the completion of the Airline Insolvency Review to which we contributed, Thomas Cook collapsed creating a huge amount of work for the CAA, organising the repatriation of thousands of passengers and refunding hundreds of thousands of consumers. The Panel was pleased to see how strong the consumer focus was throughout the repatriation programme, with staff from across the organisation going the extra mile to help holiday makers in very difficult times. Airline and travel operator solvency looks bleaker as a result of the lockdown. As lockdown continues the Panel will be considering the longer term impact on ATOL and the lessons learned from the repatriation and refund programmes in the coming year.



The Right Hon Jenny Willott OBE
CAA Consumer Panel Chair

Chapter 1

How we work

Our aims

The Panel exists to make sure that the consumer interest is placed at the heart of the CAA's work, helping the CAA to deliver its objective of empowering consumers. We want to see markets and regulation that focus on the clear interests of existing and future aviation consumers and that work well to ensure effective airline competition on price and service quality. Airports should provide an affordable, good quality and consumer-focused service. Empowered consumers should be able to make informed decisions about which companies to use. Airline services and airport environments should be designed and delivered to ensure accessibility to everyone, and people who may need extra help should be supported to make sure they can effectively access the market. And when things go wrong, consumers should have quick, fair and easy access to redress.

How we prioritise our work

The Panel is a small, specialist policy resource for the CAA and delivers high quality, evidence-based advice in a way which is designed to maximise its impact. The Panel therefore prioritises its work carefully, asking four key questions before embarking on any given project:

- Is the issue important for aviation consumers?
- Does it fall within the Panel's remit?
- Is it an area where the CAA is best placed to effect change?
- Is it (or should it be) a priority for the CAA?

The Panel also prioritises the interests of consumers it considers to be at greater risk of vulnerability throughout its work.

Chapter 2

Understanding our impact

This report covers the year ended 31 March 2020. Over the year we focused on ensuring that consumer policy is built on good evidence, as well as the key themes from our 2018-2020 work programme of access, quality and redress. Below we set out the work we have undertaken over the year and the impacts we hope to achieve.

In addition to the areas set out below, we have important ongoing relationships with a range of stakeholders. As well as the CAA these include industry representative bodies, fellow consumer panels and organisations, and third sector bodies whom we meet with regularly. As a small policy advisory body embedded within the CAA, these relationships allow us to work collaboratively, give considered and well-respected advice, and therefore maximise our influence with decision makers. The stakeholders we met with over the course of the year are listed in Chapter 3.

Building the evidence base

A strong evidence base is crucial to ensure that policy is developed reflecting consumers' wants and needs and is correctly targeted.

What we did: Consumer Aviation Survey. Over the course of the year we continued to support the CAA in building its consumer evidence base, particularly through the Consumer Aviation Survey, where we provide ongoing advice and input on the survey design, as well as helping to ensure the results provide a strong evidence base for consumer policy. For example, we advised on the presentation of results in a 'Dashboard Summary: Key Findings Report'. This illustrates the customer journey from the pre-flight experience, through the in-flight experience to the post-flight experience using attractive graphics to make the results more accessible to stakeholders and consumers.

What we did: Research design. We also provide advice on more in-depth pieces of research that have a consumer angle. This year for example we worked with the CAA on the design of research exploring how passengers may feel about safety related information, including how much awareness passengers have and want to have.

Access

One of the key areas for the Panel is ensuring that everybody has access to aviation, including those who don't currently fly, and those who may need extra help and assistance to do so.

What we did: Over the year our Panel members participated in various pieces of work which directly support these aims, including:

- Helping to formulate questions for a consultation paper on enabling all assistance dogs to travel, as part of a call for evidence. We hope this will lead to disabled people being able to travel confidently with their assistance dog in the knowledge that they will not be refused boarding;
- Helping design a new airline accessibility performance framework which will be used alongside the CAA's airports accessibility framework to help assess and improve the accessibility of airlines;
- Highlighting the issues that those who need to travel with oxygen currently face when passing through security and on board aeroplanes with a view to ensuring clarity and consistency for passengers.

The Panel has long lobbied the CAA to adopt a broad definition of vulnerability, and to ensure this is incorporated throughout its work. The Panel would like to see the CAA articulate what it does in this area in a more consistent way and embed the concept of vulnerability across its functions.

What we did: Definition of vulnerability. At the start of 2019 the Panel provided advice to the CAA on the sorts of issues that face aviation consumers along with a suggested definition of consumer vulnerability. Panel members then worked closely with CAA colleagues, meeting staff from all of its departments to explain more about the work, and to hear about what the CAA already does to recognise and respond to the needs of vulnerable consumers. We are very pleased that the CAA is now taking this work forwards, and in particular that it plans to adopt the Panel's suggested definition. This is an area where the Panel is particularly pleased with how it has shaped CAA thinking and we will now work with the CAA as it implements the work.

Quality

Whilst a key concern for aviation consumers is price, it is important that useful, comparable information on quality is available so that consumers are able to make informed comparisons and vote with their feet. Where outcomes are regulated by the CAA, our aim is to ensure that the consumer interest is reflected throughout the design of the regulatory process.

What we did: Influencing the CAA Innovation Hub. The Panel was instrumental in ensuring that consumer needs are considered in the design of the CAA's regulatory response to new technology. The CAA's Innovation Hub, which helps innovative new business navigate regulatory challenges, provided an overview of their processes to the Panel. As a direct result of this session the Hub began working more closely with the CAA's consumer policy team.

What we did: Data-driven commercial practices. The Panel completed an initial assessment of the impact of emerging data-driven commercial practices, which considered the way data is used by businesses and how sales and marketing techniques affect consumer choice. This is an area where the Panel used its resources to consider issues

that affect aviation consumers but do not fall directly within the CAA's remit. The Panel concluded that the issues identified do affect aviation consumers as the majority of flight bookings are made online, but that the economy-wide impact suggests that the issues we identified would be better addressed by regulators other than the CAA, such as the CMA.

What we did: Environmental information. We are cognisant of the increase in the proportion of passengers who say they would like to understand more about the environmental implications of flying. We worked with the CAA, the Department for Transport (DfT), the Aviation Environment Federation and the Independent Committee on Civil Aviation Noise to undertake an initial consideration of what types of information are available in this sphere at the moment and the sorts of information consumers might find useful. We also worked with the CAA on adding questions to the Aviation Consumer Survey to explore this topic further. We will continue to look at this area in our next work programme covering the period April 2020 to March 2022.

Redress

We believe consumers should be able to seek quick, fair and equitable resolutions when things go wrong, and complaints data should be used by industry to help inform improvements over time. Over the past two years the Panel has particularly focused on attempting to ensure its voice is heard with respect to complaints handling and Alternative Dispute Resolution (ADR) in the aviation sector where we believe that ADR should be mandatory and concentrated in a single scheme.

What we did: Response to the *Aviation 2050* green paper. The Panel was influential in the development of both CAA and DfT policy in respect of complaints handling and ADR. Our response to the *Aviation 2050* green paper was submitted in June 2019 and provides the consumer voice in an area where the vast majority of responses are likely to be from industry. We raised the importance of redress to consumers and identified practical considerations to help DfT develop proposals in a way that will improve industry behaviour and help consumers. The development of a Passenger Charter has been under review and it is not clear whether it will resume. However, the Panel identified from the uphold rate of complaints handled by ADR schemes that complaints may be poorly handled by airlines themselves. Accessing data about airline complaint handling helps reveal the extent of consumer detriment and we would like to see the CAA prioritise this work in the year ahead.

What we did: ADR Audit. The Consumer Panel's continued emphasis on redress has resulted in the commissioning of a quality audit. The Panel helped design the scope of this ADR Audit and provided input to help the CAA choose an appropriate firm to complete the work. We look forward to seeing the results and inputting to next steps in due course.

Evidence from the UK Aviation Consumer Survey in 2019 shows one of the lowest levels of satisfaction for recent flyers is in the area of complaint handling by airlines/airports at 56%. Given the unprecedented situation with the impact on consumers of Covid-19

following the cancellation of flights, and the high level of press interest, redress is likely to continue to be an important focus for the Panel.

Priorities for 2020-2022

Civil aviation has been hugely impacted by the Coronavirus pandemic. As tentative steps begin to be made to re-open the skies, consumers may be impacted in unexpected ways. In a climate that may be difficult for policymakers the Panel will endeavour to provide consumer focused input, to monitor decision-making, and to analyse outcomes.

Our planned work programme is flexible enough to take account of this situation. We will focus on the themes of building the evidence base, driving better outcomes for consumers, and influencing future regulatory frameworks. Our plans, which remain flexible, include:

- Working with the CAA to explore consumer views on environmental information in more detail, including how consumers want to use environmental information and how this could best be delivered.
- Giving input to the design of new messaging to consumers regarding allowing liquids and gels on aircraft where advanced screening technology is in place.
- Continuing to press for improvements in protection, redress and how consumer complaints are dealt with by airlines and airports. This will include being cognisant of the work to reform the airline insolvency framework and considering the implications for consumers following the failure of Thomas Cook.
- Prioritising the needs of vulnerable consumers including by providing input via specialist accessibility groups to enhance fairness for consumers at risk of vulnerability. We will also support the CAA's work on vulnerability, which was initiated by the Panel.
- Contributing to the CAA's broader strategic thinking on consumer matters (especially in the context of Coronavirus), as well as to wider Government initiatives such as the 'levelling up' agenda, next steps following the consumer green paper, and potential work on a passenger charter. We also stand ready to influence post-Brexit regulatory frameworks where these impact on aviation consumers.

Chapter 3

Transparency

Expenditure

The Panel cost the CAA £72,081.35 in Chair and member fees and expenses in the year to 31 March 2020.

Panel meetings

In the year ended 31 March 2020, the Panel met formally four times. The minutes of these meetings are published on the CAA website (www.caa.co.uk/consumerpanel). In addition, various sub-groups of the Panel worked on individual work streams throughout the year.

Terms of Reference

The Panel's Terms of Reference are published on the CAA website (www.caa.co.uk/consumerpanel).

Working with stakeholders

The Panel primarily faces the CAA, providing advice and engaging with staff at all levels. In addition, in 2019-20, as part of its work with stakeholders our secretariat engaged with:

- Airlines UK
- Aviation Communities Forum
- Aviation Environment Federation
- Centre for Data Ethics and Innovations
- Chair of the Airline Insolvency Review
- Chair of the Communications Consumer Panel
- Chair of the Financial Services Consumer Panel
- Chair of the Legal Services Consumer Panel
- Department for Transport
- Heathrow Consumer Challenge Board
- ICF International
- Independent Committee on Civil Aviation Noise (ICCAN)
- Malaysian Aviation Commission
- Transport Focus
- UK Airport Consultative Committees
- UK Regulators Network

Chapter 4

Panel members and secretariat

Chair

Rt Hon Jenny Willott OBE, Chair

Jenny was appointed to the Panel in January 2018. Jenny was Member of Parliament for Cardiff Central for ten years, serving as Consumer Affairs Minister, with responsibilities including consumer policy, competition policy and employment law, Women and Equalities Minister and as a Government Whip. She is now the Director of Enterprise and Innovation at St Mary's University, Twickenham, and a Non-Executive Director for the Independent Parliamentary Standards Authority. Prior to entering Parliament she worked in the voluntary sector, including as Chief Executive of Victim Support South Wales and Head of Advocacy for UNICEF UK.

Members

Carol Brennan

Carol is an Honorary Reader in Consumer Policy and former Director of the Consumer Dispute Resolution Centre at Queen Margaret University, Edinburgh. Carol's research interests include consumer policy, complaint management, dispute resolution, consumer empowerment and customer experience. Carol is a member of the Office of Rail and Road Consumer Expert Panel. She is also Chair of the Qualifications and Awards Board for the Chartered Trading Standards Institute. Between 2015 and 2019, Carol was Chair of the Scottish Legal Complaints Commission Consumer Panel. She is currently chairing a team of experts on consumer education for the European Commission. Carol conducts research for consumer policy and dispute resolution organisations, and publishes regularly in academic journals. Carol draws on her research to influence new developments in strategy, policy and practice. She has produced reports on consumer representation, the outcome of complaints and using complaints to transform services.

Helen Dolphin MBE

Helen is a committed campaigner on improving transport for disabled people. After becoming disabled in her early twenties Helen trained as a journalist and worked for ITV Anglia News as a news reporter. She followed this by taking up the role of Director of Policy and Campaigns for a national disabled charity. Helen now works as an independent mobility specialist advising government, public, commercial and professional bodies on how to improve accessibility. Helen is a member of the Disabled Persons Transport

Advisory Committee (DPTAC), Joint Chair of the Heathrow Access Advisory Group, a Member of the British Science Associations Equality and Diversity group and Chair of her local mobility assessment centre East Anglia Driveability (EAD).

Trisha McAuley OBE

Trisha is an independent consumer expert and an experienced Non-Executive Director. For over twenty years she was a senior executive in UK and Scottish consumer organisations and is the former Scottish Director of Consumer Futures. She was awarded an OBE for services to consumer affairs in 2015. Trisha is currently the Independent Chair of National Grid's RIIO2 Gas and Electricity Transmission User Groups. She is also Independent Chair of two Electricity Code Governance Panels: the Grid Code Review Panel and the Connections and Use of Systems (CUSC) Panel. She is a Member of the Institute of Chartered Accountants Scotland Discipline Board, a Member of the Ofgem Gas Network Innovation Competition Panel, a Member of the Office of Rail and Road Consumer Expert Panel, and a Member of the Heathrow Consumer Challenge Board. Trisha is also a Board Member of Energy Action Scotland and a Member of the Scottish Government Energy Networks Strategic Leadership Group.

Walter Merricks CBE

Walter's career over the past 20 years has involved work with ombudsman and complaint services, competition and consumer protection systems and regulatory bodies in the retail financial services, gambling, surveying and legal services, press, telecoms, energy, copyright licensing and ATOL protection sectors. He was the inaugural Financial Ombudsman and worked with the Financial Services Consumer Panel between 1999 and 2009. He recently served for six years on the board of the Gambling Commission, and now chairs the boards of IMPRESS (the Independent Monitor for the Press), and of JUSTICE, the law reform charity.

Jacqueline Minor

Following a short period lecturing in law at the University of Leicester, Jacqueline Minor joined the European civil service, first at the Court of Justice and subsequently at the European Commission. After more than 20 years' working on Internal Market issues, including a period as Director responsible for Consumer Policy, she served as Head of the Commission's Representation in the UK from 2013 until retirement in 2017. She is a member of the Board of Governors of the University of Brighton, an Honorary Senior Fellow of Regent's University, London and a Governor of the National Institute for Economic and Social Research.

David Thomas

David is a chartered accountant and an economist. He was appointed a specialist panel member at the Competition and Markets Authority in 2017 and in 2018 a member of competition and enforcement decision committees at the Payment Systems Regulator and

the Financial Conduct Authority. Since 2016 he has run his own consulting practice focusing on economics, regulation and disputes, largely in the communications sector. David was a director of competition and regulatory finance at Ofcom where he had responsibility for, among other things, price controls. After leaving Ofcom he established and led KPMG's global economics and regulation practice.

Claire Whyley

Claire Whyley is a professional researcher and policy analyst, specialising in consumer behaviour and decision-making, consumer protection and consumer-focused regulation. She currently works across a wide range of regulated and unregulated markets and brings particular expertise in relation to vulnerable and excluded consumers. Claire holds a number of non-executive roles including membership of the Competition and Markets Authority Panel; the Finance and Leasing Association Lending Code Board; the H7 Consumer Challenge Panel; the Office of Rail and Road Consumer Expert Panel; and the End User Advisory Committee of Pay.UK. She is also Deputy Chair (South) for SGN's Customer Engagement Group. Her previous posts include Senior Research Fellow at the Personal Finance Research Centre, Head of Research and Policy at the Welsh Consumer Council and Deputy Director of Policy/Head of Consumer Futures at the National Consumer Council.

Secretariat

Harriet Gamper

Harriet is a Principal in the CAA's Consumers and Markets Group, assigned to support the Panel. She is a public policy specialist, with experience in the public and private sectors, both in the UK and across the EU. Her specialisation is consumer policy in regulated markets, with particular focus on vulnerable consumer groups. She has over ten years' experience in the sector, holds a Masters in Consumer Affairs, and has contributed to a number of academic publications. Previous roles include work on consumer credit at the Office of Fair Trading and consumer policy at the Office of Rail and Road, as well as for the Legal Services Consumer Panel. "*Consumer Theories of Harm*" of which she is joint author was published by Hart in 2019.