

Supporting consumer confidence

EMERGING FROM THE COVID CRISIS

Context

The CAA Consumer Panel is a non-statutory critical friend, giving expert advice to the Civil Aviation Authority (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.

It is quite clear that the Covid-19 pandemic has far-reaching implications and significant impacts for aviation, and as the sector looks towards recovery and beyond, the Consumer Panel is considering consumer confidence to travel. Some consumers may have been prompted by the pandemic to consider alternatives to air travel which will produce longer-term changes in their behaviour. But for those who wish to fly again, anxiety about their safety should not be a barrier to travel. Ultimately if consumers do not have the confidence to travel there will be less spending on flying, resulting in fewer companies, higher prices and a reduction in consumer choice and standards of service. This would be to the detriment of all concerned. As the sector moves towards recovery, the Panel would like to ensure that the consumer voice is heard.

This paper considers:

- The background and context, along with data on current consumer sentiment and predictions around future travel;
- Practical issues underpinning consumer confidence;
- Actions the CAA could consider to strengthen confidence in air travel; and
- Areas where others might be best placed to act.

We describe three clear areas where consumer confidence could be supported as recovery takes place: physical confidence in health measures; the ability easily to find relevant, timely information; and financial security. Each area is explored in more detail below, and the CAA

has a role to play in each one. We are the CAA's specialist Consumer Panel and so our recommendations are targeted to what the CAA can do. However, we do recognise that in many cases the CAA will need to work collaboratively. Not all of the areas explored below fall within the CAA's remit, and in some instances others may be best placed to act or have a role to play, and we have highlighted where we believe this is the case.

Summary of Recommendations

The Panel's detailed views on each area are set out below. The main recommendations from the report are:

Health measures

Areas for the CAA to consider include:

- The CAA has published guidance for both passengers and commercial aviation which covers consumer law and air passenger rights.ⁱ However, this information does not include what to expect in terms of safety measures being taken in the airport and on board the plane. Furthermore, guidance has been given to airports by Public Health England and other authorities and public health bodies (as health is a devolved matter), but the CAA could summarise measures in a clear way to help passengers understand what is being done to protect public health and what they should expect in the airport. The CAA could have a role to play in ensuring that industry have implemented guidance effectively.
- The regulator is well placed to facilitate sharing good practice and helping to ensure broadly consistent hygiene and other measures are taken. The CAA may also be able to share information in its international capacity to increase consistency. Airlines following consistent safety practices and a worldwide set of safety standards scored highly as measures that would help passengers feel more confident about flying.ⁱⁱ
- As technology develops, the CAA should take an informed position that recognises that whilst many are likely to benefit, others may fall behind. Inclusion does not only apply to physical provision of services. It is also important to make sure that information provision does not create new barriers to accessing information for some groups, for example by increasing reliance on technology (which not everyone can or wants to use). The CAA must ensure that the aviation industry remains inclusive in terms of service provision.

- As traffic starts to increase it may be difficult for airports (and others such as the UK Border Force) to anticipate demand and ramp up staffing levels accordingly. There is a risk this could lead to knock-on effects on areas like queuing, slower baggage return, and accessibility services. This could mean some of the Covid security measures become less effective or less easy to enforce as passenger numbers increase. The CAA should monitor this, and ensure that delays in the passenger journey do not result in increased risks due to reduced social distancing and reduced opportunities for cleaning, and that poor customer service is identified and tackled. Without action being taken, media reports of poor customer experience, or from those consumers who do try to travel but have a bad experience, could further reduce consumer confidence in flying and slow the recovery.

Areas for others to consider include:

- We note the Global Travel Taskforce recommended “a system of assurance of air travel, led by the CAA, to evidence the aviation industry’s compliance with international guidance, helping increase consumer confidence and demonstrating the UK’s global leadership”.ⁱⁱⁱ This would be helpful but it is for the Government to consider, and if necessary to confer powers on the CAA.
- If passengers do not feel safe travelling to and from the airport on public transport, this will affect overall confidence to fly. We believe the journey should be considered holistically to help underpin confidence.

Information

Areas for the CAA to consider include:

- To help make sure everybody follows the rules, it is important that airlines and airports have clear and consistent policies and that these are made easily available to all passengers. We recognise that the CAA may not have the powers to enforce standardisation, but it should continue to work with industry and others (including via ICAO) to further develop clarity and understanding of the rules and make sure they are applied consistently. This includes ensuring clarity on issues such as when face masks should be worn and whether or not a doctor’s note is needed if the passenger cannot wear a mask.

- The CAA could develop a better understanding of the different consumer groups looking for information, what information they want, how they access that information, and who is best placed to provide it. Information might best be provided by the CAA or by others such as industry, consumer organisations, Public Health England or the FCDO. The CAA could both improve the way its own information is provided and facilitate better provision of information by others.

Areas for others to consider include:

- Airlines and airports should clearly advise passengers on the steps they are taking to underpin confidence.
- We note the work of the Global Travel Taskforce and Government plans for information and communication campaigns on public health and on UK industry's compliance with health standards.^{iv} Providing clear, easy to find, and simple information is key to restoring confidence.
- The Taskforce will also report to the Prime Minister on developing a framework to allow more international travel. Messaging around the recommendations coming from this work should be clear and consistent. Consumer representation should be included within the Taskforce.
- As with the Government's Roadmap out of Lockdown approach, it would benefit consumer confidence if rules about quarantine arrangements and which countries consumers can visit are planned and communicated as much as possible in advance. We recognise that the situation in different countries has at times changed rapidly and the Government has had to respond, but unpredictable changes to travel advice and quarantine rules undermines consumer confidence and will hamper the recovery. We would encourage the Government at a minimum to provide the criteria on which decisions will be based to enable consumers to plan, and as far as possible, provide a roadmap which will enable consumers to make holiday plans with some confidence that arrangements will not change from day to day. It would be helpful to have clearer instructions on what people who have booked travel but later fall under guidance on their movements (as opposed to legal restrictions) ought to do. Currently this is complicated and being dealt with on a case by case basis, which is understandable but is not helpful in the context of consumer confidence to book travel ahead, since those who decide to follow the guidance and not travel may lose their bookings.

Finances

Areas for the CAA to consider include:

- The CAA has been monitoring how well refunds are being processed, and should continue to do so, pushing for improvement where needed.
- The CAA could revisit previous work on clarity of airline charges, including more effective airline communication in a prominent place on websites about changes to bookings, waiving administration fees, cancellations, and refunds.
- The CAA should work to make it much easier for consumers to contact airlines and holiday companies in a variety of ways so consumers can understand the impact of any changes they may need to make to bookings in future.
- The CAA could also consider a trust building exercise to highlight consumer rights and the fact that all UK airlines are now paying refunds to consumers in a timely manner.

Areas for others to consider include:

- We support the CAA's call for improved enforcement powers and urge the Government to swiftly deliver these changes.
- Accurate consumer information on travel insurance is an area of concern and could helpfully be considered by the Financial Conduct Authority in the context of its broader work around Covid-19.^v
- Airlines and travel companies may wish to consider initiatives such as highlighting insurance which includes Covid-19 cover^{vi} or the ability to alter flights without extra charges. However such initiatives should be communicated to consumers in a fair and non-misleading manner and must do what they say they will.

Background

The Covid-19 pandemic has had far-reaching effects on all aspects of life in the UK and further afield since the first quarter of 2020. The start of the crisis saw a steep decline in flights in the UK coinciding with the first national lockdown. Traffic figures fell by as much as 90% in April 2020 when compared to the same period in 2019, while passenger numbers through UK Airports fell by 98% in April 2020 when compared to April 2019.^{vii} Airlines and airports furloughed staff and in many cases went on to make large numbers of staff redundant. Traffic figures climbed slightly over the summer, but a second national lockdown in November 2020 saw the figures decline sharply once again. In May 2020 just one in five people told a Consumers Association (*Which?*) survey of 2,000 people that they trusted airlines and holiday operators.^{viii} There is a variety of likely reasons for this lack of trust including fears over catching the virus, as well as poor communication from many of the airlines in relation to postponing travel and the length of time taken to process refunds, areas which are explored in more detail below.

Evidence is now beginning to emerge as to the impacts on consumers' day to day lives, their attitudes, and their intentions. Firstly, it is important to consider that people have experienced the events of 2020 in very different ways, with a great deal of variation between different segments of the population: for example, in November 2020 those over 65 said they were three times more likely to wait until there is a vaccine before flying again than those aged 25-34 (24% compared to 8%), while women are less confident than men throughout the entire passenger journey.^{ix} However, the deployment of vaccines appears to be having some impact on confidence: a BBC news report found that in January 2021 forward bookings were predominantly being made by those aged over 65,^x one of the first cohorts to be vaccinated in the UK, while Tui said that over 50% of its bookings was being made by this age group. Although pent up demand for travel may be released as vaccines continue to be rolled out across wider groups of the population, this appears to be very much interlinked with the easing of other restrictions and general consumer confidence – a YouGov poll on 25 February 2021 (after the announcement of the plan to ease lockdown measures) found that 79% of UK adults have not booked holidays, either in the UK or abroad.^{xi}

The immediate and catastrophic impacts on the aviation industry are clear, but there are also wider and deeper underlying changes which may affect consumer flying behaviour over the medium to longer term. Forecasts predict that demand for travel will rebound, although this may not be well underway until 2022, and with domestic travel likely to lead the recovery.^{xii} In addition, sustainability and environmental concerns are rising up the consumer agenda and focus on these is likely to become more important as recovery proceeds.

In June, as the UK emerged from the first national lockdown, around a quarter of adults said they planned to make big changes to their life after the country recovered from the pandemic – the most popular ones being changes to work, relationships or where they live. People also said they wanted to continue exercising more, and to travel more after the pandemic.^{xiii} But consumer finances have been impacted by loss of employment, pay cuts and other issues, which will squeeze spending and affect confidence in booking flights.

At the same time traveller preferences and behaviours have shifted toward the familiar, predictable, and trusted, with domestic and regional holidays, and particular focus on the outdoors.^{xiv} Alongside domestic travel, a likely first step for UK passengers is short haul European flights. These types of flights are likely to be cheaper than long haul as well as less lengthy, meaning less time wearing a face mask, sitting in close proximity to others, less need to use the on board toilets etc. Closer countries may have similar restrictions to those in the UK (for example the development of an EU-wide scheme to test and release or to demonstrate vaccinations) might have the same or similar requirements, which will increase ease and familiarity with the rules and requirements. Therefore, consistency in these rules and the passenger experience between UK and short haul destinations will be important.

Confidence: health measures

The effect of the pandemic has been absolutely enormous: 99% of passengers say that Covid-19 has affected their behaviour^{xv} and sources of concern are a mixture of personal safety and inconvenience. Inmarsat Aviation carried out a large-scale survey of nearly 10,000 people across 12 countries in October 2020. When asked what the main worries are preventing people from travelling abroad right now, 61% said catching the virus abroad, 60% said quarantining, while 55% said catching the virus at the airport or on the plane.^{xvi} Whilst the first two are outside the control of airlines and airports, the last is firmly within it. Different steps can and are being taken to both minimise the chances of contracting the virus and to do this visibly, so that passengers are reassured and can see that action is being taken. Research by

Transport Focus found that of those who have not flown only 30% felt safe (in the context of Covid-19) doing so, but of those that had flown, 84% felt safe.^{xvii} This is a very large “perception-experience” gulf and is similar to results for buses and trains. It implies that once people fly again and see the measures that are in place, they may feel more confidence in their efficacy. Therefore, airlines and travel companies may wish to focus efforts on explaining to potential passengers what measures are in place to ensure safety, as well as on ensuring that passengers see those measures working well in practice if and when they do travel. However, those who flew last year were a self selecting group and their perception of safety may not be the same as those who chose not to, who may need more reassurance.

The International Civil Aviation Organisation (ICAO) has produced guidance^{xviii} intended to address the impact of the current COVID-19 pandemic on the global aviation system. The guidance is aimed at industry and forms a useful and welcome starting point. However challenges relating to disseminating information via channels that will reach large numbers of people and presenting that information in a way which will be short and pithy enough for the public to understand, remember, and recognise as being ‘Covid-safe’ remain. It would be helpful for there to be a trusted body that consumers trust to have digested the pertinent information and requirements and say in a very simple and clear way whether an airport or airline is doing what it needs to do.

Hygiene measures need to be effective but also visible – people are reassured by being able to see what is being done

Public transport is often perceived as not clean enough and compares unfavourably to other places such as restaurants where visible cleaning happens frequently. The mere sight of disinfection happening in public spaces can go a long way to creating the confidence people need to feel safe and return to the site.^{xix} Respondents to a survey carried out by Transport Focus said that in the hospitality industry, for example, they are told about the measures being taken to keep them safe and then they see these measures in action – for example in overt demonstrations of cleaning, disposable menus, contact-tracing, social distancing and one-way systems. Not all respondents perceive that public transport operators are doing similar things.^{xx}

This has various implications; firstly, what the aviation industry itself can do to improve confidence in health measures. Airports and airlines are already taking many steps such as ensuring social distancing and mask wearing in the airport and on the plane, provision of hand

sanitising stations, temperature checks, and opportunities to minimise contact between staff and passengers (such as greater use of e-passport gates, contactless payments, digital safety cards on board, and online check in). As above, it is also key that these measures are clearly explained and visible. And, although outside the remit of the CAA, if passengers do not feel safe travelling to and from the airport on public transport, this will affect overall confidence to fly, and we believe this aspect should also be considered as part of recovery.

[Technology has the potential to bring major benefits, but this could mean some groups who are less tech-savvy will be left behind](#)

The introduction of new technology can make passengers feel safer as it reduces the need for close human contact in the airport, however there is a risk that it alienates those who are less tech-savvy and makes it even harder for these passengers to return to flying. Consumers are not a homogenous group and there is likely crossover between those who are less comfortable with significant levels of technology and those who are less confident returning to flying in the first place, seen above to be particularly those over age 65. It is important that use of technology does not become an additional barrier for some passengers, and that new barriers to travel for groups of people who would happily have travelled in the past are not inadvertently set up. For example, some people may not want or be able to use online or automated processes and may still want to see a real person when checking in, passing through passport control, or making payments.

[More demonstrable leadership will inspire confidence](#)

Consistency is crucial: measures taken on flights and at airports will ideally be the same or similar so that passengers feel informed and confident as to what is being done, where, when, why and how. People may question ‘will it be the same on the return leg of the journey? Will I be as safe on the way home?’ It is important that industry addresses these questions to support confidence, and ensures it is clear to passengers what measures are being taken to keep them safe, both in the airport and on the plane. We understand that this is challenging, and responsibility falls to different agencies, including national, local, and aviation authorities. The CAA, for example, has heard reports of different requirements between airports in the same country. And not all aspects of the airport experience fall within the airport’s direct control. Large queues at the border, for example, may cause great concern for passengers, may not be fully within the airport’s gift to address, and require more complex, collaborative solutions. Clearly this is a challenging situation for the aviation industry, but it is one which is

key to restoring and maintaining passenger confidence. As passenger numbers begin to increase, consideration should be given to how operations can be scaled in a proportionate way as risk levels change.

An important factor that will support passenger confidence is having a single organisation demonstrating leadership. This is not fully within the CAA's remit, but the organisation has already facilitated UK industry to get access directly to ICAO to give feedback on its guidance proposals and has supported testing of ICAO's 'Public Health Corridor' concepts^{xxi} with Singapore and Hong Kong. As the specialist aviation regulator, the CAA is well placed to continue to take a leadership role, bring different parties together, share good practices, liaise with other regulators, Government, and other agencies, and influence internationally.

Areas for the CAA to consider include:

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- The regulator is well placed to facilitate sharing good practice and helping to ensure broadly consistent hygiene and other measures are taken. The CAA may also be able to share information in its international capacity to increase consistency. Airlines following consistent safety practices and a worldwide set of safety standards scored highly as measures that would help passengers feel more confident about flying.^{xxiii}
- As technology develops, the CAA should take an informed position that recognises that whilst many are likely to benefit, others may fall behind. Inclusion does not only apply to physical provision of services. It is also important to make sure that information provision does not create new barriers to accessing information for some groups, for example by increasing reliance on technology (which not everyone can or wants to use). The CAA must ensure that the aviation industry remains inclusive in terms of service provision.

- As traffic starts to increase it may be difficult for airports (and others such as the UK Border Force) to anticipate demand and ramp up staffing levels accordingly. There is a risk this could lead to knock-on effects on areas like queuing, slower baggage return, and accessibility services. This could mean some of the Covid security measures become less effective or less easy to enforce as passenger numbers increase. The CAA should monitor this, and ensure that delays in the passenger journey do not result in increased risks due to reduced social distancing and reduced opportunities for cleaning, and that poor customer service is identified and tackled. Without action being taken, media reports of poor customer experience, or from those consumers who do try to travel but have a bad experience, could further reduce consumer confidence in flying and slow the recovery.

Areas for others to consider include:

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Confidence: Information

A lack of control over how others might behave is a cause of anxiety

Although nearly half of survey respondents (48%) describe their current behaviour as ‘highly cautious’ (wear mask outside and limit contact with others) and 32% said they were ‘fairly cautious’ (wear mask in crowded places, socialise with friends and family only),^{xxv} there appears to be a disconnect between what the majority of people do and what they expect others to do. Research carried out by Transport Focus highlighted anxieties over the unpredictability of travelling: people question whether others will follow the rules (for example on wearing face masks or keeping distance), and this feeling is perhaps exacerbated by the fact that once on board passengers are ‘trapped’ with no realistic option to leave.^{xxvi} Information is therefore important, so that passengers can be confident that all those they are

travelling with have the same clear and easy to find guidance on the rules to be followed; how they will be enforced; and by whom.

Predictability is key – people want to know what to do and how things will work in practice

In airports this might take the form of knowing when to arrive, whether extra time is needed for health screening measures, what form these measures might take, and how airports will manage pinch points where it might be difficult to socially distance, such as security queues or baggage reclaim. 85% of passengers said they would feel more confident flying with staggered boarding, for example.^{xxvii} Rules on mask wearing should be clear and consistent – if somebody cannot wear a mask and didn't need a medical note on one airline or in one country but then finds a note is required on the return leg it could prove difficult to get home.

Where technology is available to support consumers, such as baggage tracking (which allows passengers to arrive at the reclaim area only when their bags arrive rather than waiting alongside others, with potential for crowds to build up,) it should be highlighted. On the aircraft, the biggest concerns that consumers have are being around other passengers in general and visiting the toilet.^{xxviii} Airlines can take steps such as reallocation of any empty seats and visible cleaning, and can clearly advise passengers on what they are doing to help increase confidence.

We note the potential to use quick-result tests at the airport, and the need for a negative test result to enter the UK which came into force in January 2021. Linked to this is the development and roll out of vaccines which is seen to be absolutely key to restoring passenger confidence. Information is fundamental to this. Many countries already ask for a negative Covid-19 test result before they will allow entry. It is easy to envisage similar requirements being put in place around vaccines and we understand this type of requirement is under consideration in some countries.^{xxix} If this does happen it is important that passengers are able to find information on what they need to do to be able to comply with the rules. As most of the vaccines in use/development need to be given in two doses several weeks apart, passengers will need predictable information to be able to prepare in advance, including on what they need to do, the information they need to present, and the format that should be in. This will be another area where it will be important to ensure that some groups are not excluded by solutions that are entirely technology based – for example if a smartphone app is required to prove test or vaccination status some people may be excluded. Global standards here would again be incredibly helpful.

Changing travel restrictions is likely to impact confidence

Another important issue underpinning confidence to book and travel is knowledge of the restrictions on entering a country or when returning to the UK, as well as confidence that the rules will actually allow the intended travel to take place. People will not want to book travel if they perceive the inconvenience of having to quarantine (either on arrival at their destination or when returning home) is too high,^{xxx}. But neither will they want to book if they are worried that the rules might change before they travel or while they are away.

Travel advice is a matter for Government and is provided by the Foreign, Commonwealth and Development Office (FCDO) in relation to destinations outside the UK. Clearly it is fundamental that consumers have access to impartial, up to date, advice as to where it is and is not safe to travel. This advice also impacts on insurance policies.

Separately, inside the UK it is possible that local restrictions (which are subject to change) may prevent or discourage passengers from booking and/or travelling. Whilst the Government needs to protect public health and guidance can therefore change rapidly, it would help passengers to have clear information on their rights and responsibilities so that they can make an informed choice on when to book, the channels to use (such as booking a package as opposed to a standalone flight), and understand any risk attached to that.^{xxxii} The CMA has provided guidance on cancelling contracts but ultimately this is a complex area, made more so by the fact that some restrictions are legal restrictions whilst others have the status of guidance or are advisory.

The CAA itself does provide some clear and useful Covid-19 information for passengers.^{xxxiii} However, consumers are not a homogenous group – they have different needs and wants. It would be helpful to see easy to understand information directed at different consumer segments, and being made available in different formats so that everybody can easily find out what they need to know in order to travel safely and confidently. For example, some people may want to receive advice online, or via apps or social media. Others might be more comfortable getting it directly from their airline or travel company, or by phone or correspondence with their travel agent. More tailored information from a trusted source might make it easier for consumers to follow, and even where consumers do not access the CAA's information directly it might make such information easier for third parties to package up and use.

Finally, in the context of restart and recovery, the messaging coming from Government, including senior ministers, is often unclear and confusing. For example, at the start of February 2021 the Prime Minister, Health Secretary and Transport Ministers gave conflicting views, which were widely reported, on whether people could start to think about booking summer holidays, and whether those holidays should be in the UK, abroad, or neither.^{xxxiii} Conflicting and regularly changing advice is confusing for consumers (who may ultimately start to disengage from following the rules if they feel they cannot understand or follow them). And confusing messaging is unhelpful to restoring confidence since it adds to the uncertainty around forward bookings. Messages should be co-ordinated, clear and informative.

The Global Travel Taskforce will report on 12 April 2021 on developing a framework to allow more international travel. This is certainly welcome, but the Panel cautions that the recommendations should be clear and sustainable to avoid further constant changes and more confusion. Evidence to the Transport Select Committee on 3 March made clear the report will be to the Prime Minister rather than to industry and stakeholders more widely. If the report is not published in full it is more important than ever that the messages which are given publicly are clear and consistent. The taskforce itself is comprised of Government and industry representatives. It would be helpful for consumer representation to be included as well to help avoid some of the problems above continuing to occur.^{xxxiv}

Areas for the CAA to consider include:

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Confidence: Finances

It is clear that the crisis has hugely impacted finances, meaning both less confidence to spend in the economy and less disposable income available to do so. Inmarsat Aviation found the

biggest experienced effect (which focused not on what people were worried about but impacts which had actually happened) was 'my finances/job have been affected' (32%)^{xxxvi}. Although generally optimism is seen to be rising slowly, consumers remain cautious and are worried about spending.^{xxxvii} People do want to return to air travel but with finances being squeezed, clarity on what you are paying for, whether bookings can be changed, if administration fees to change bookings will be waived, and clear information on cancellations and refunds is more important than ever.

[Insecurity around losing money is being fuelled by unclear policies and frequent reports of difficulties when seeking to make changes or receive refunds](#)

Currently it is not always clear to consumers whether they will be able to change their travel plans should the rules or advice change closer to the time of departure, or, should they wish to cancel or if their flight does not depart, whether they will be able to access a refund in a timely manner or not. Research carried out by *Which?* over summer 2020 highlighted that the organisation had received more than 14,000 complaints in a six-week period from passengers struggling to get refunds for cancelled flights. Those who reported their airline to *Which?* were out of pocket by an average of £446, and had collectively spent a total of 52,000 hours (nearly six years) chasing the airline for a refund.^{xxxviii} Transport Focus found in August 2020 that for over six in ten people the worry about refunds would stop them from booking a flight.^{xxxix} This fear may be compounded by past experience of being charged significant amounts to make changes to tickets, for example even making a name change can be expensive, although the CAA has done previous work with airlines to improve clarity on these sorts of charges.^{xi}

Insurance is a further source of worry. Both the availability and coverage of insurance policies, as well as clarity over what is and is not covered, can be a concern, and consumers wonder whether they will be able to obtain travel insurance which adequately covers them for the different risks to which they may be exposed. For example those who have booked travel but then test positive for Covid may be covered by their insurance, whilst those who feel nervous about travelling (perhaps due to increasing numbers of cases at home or at their destination closer to the date of travel) might not be. Other situations may also arise such as people who have not tested positive themselves but who have been advised to self isolate by the Track and Trace system. And if consumers have been advised to self isolate by the Track and Trace service but have no means to get their money back if they cancel then they may fly anyway. This behaviour (or even the prospect of it) could also deter others from flying if they don't trust what fellow passengers are doing. *Which?* found that although an increasing number of

insurers are offering 'COVID-19 cover', no insurer protects against the full range of possible coronavirus-related incidents.^{xii} This may in itself act as a barrier to travel since if passengers are not able to take out adequate insurance cover then confidence will be affected. Where adequate insurance is not available, or in cases when people are not sure if they will be able to claim or not, more pressure is put on airline refunds as a source of confidence.

Finally, we note that the Package Travel Regulations allow consumers to cancel contracts and pay a 'reasonable and justifiable' termination fee.^{xiii} This is not the case for airline refunds under Regulation EC 261/2004, which only provides for a refund if the airline (not the passenger) cancels. This gives rise to inequalities and confusion around cancellations depending on what might be covered as well as the way in which the consumer booked potentially giving rise to different rights.

[The CAA's work in this area is welcome but more could be done](#)

We recognise the challenges faced by airlines, whose call centres have been overwhelmed while staff were furloughed or moved to remote working. These challenges are real and large in scale. And we welcome the work the CAA has done over the past months to improve how well and how quickly complaints are handled and refunds are processed. We were especially pleased to see the CAA was clear that consumers were entitled to a refund if they did not want to accept a voucher. This is in contrast to some EU countries, and the European Commission has now launched infringement proceedings against 10 Member States in this context.^{xliii}

Although the CAA was able to effect change without taking court action in this instance, we note that the CAA's enforcement powers are not well suited to swift action. It can take a considerable period of time for a case to come before the courts, leading to a period of time when businesses are able to continue breaching the law without sanction. The CAA and the Competition and Markets Authority have called for improved powers to enable them to deal more effectively with compliance issues such as this. We support these calls and we welcome the CMA's investigation into airline failures to provide cash refunds during the pandemic. Improved powers for the CAA may become especially important in the context of flexible bookings, which some businesses are starting to offer, but which may be flexible in name only and provide limited assurance to consumers that should government policy change they will be able to manage their booking or get their money back in a timely manner.

It is therefore right to note the impact on consumer confidence going forwards. If people think their plans might need to change or they might not be able to travel and they perceive that

getting their money returned will be hugely difficult and costly in terms of time and effort, then they are not going to spend their hard earned cash, or if they do they will wait until the last possible minute before booking. It is therefore key that industry continues to improve performance in this area, that improvement is demonstrable, and that consumers can find a single source of the truth on what their rights are: what they are entitled to and when.

[Areas for the CAA to consider include:](#)

- The CAA has been monitoring how well refunds are being processed, and should continue to do so, pushing for improvement where needed.
- The CAA could revisit previous work on clarity of airline charges, including more effective airline communication in a prominent place on websites about changes to bookings, waiving administration fees, cancellations, and refunds.
- The CAA should work to make it much easier for consumers to contact airlines and holiday companies in a variety of ways so consumers can understand the impact of any changes they may need to make to bookings in future.
- The CAA could also consider a trust building exercise to highlight consumer rights and the fact that all UK airlines are now paying refunds to consumers in a timely manner.

[Areas for others to consider include:](#)

- We support the CAA's call for improved enforcement powers and urge the Government to swiftly deliver these changes.
- Accurate consumer information on travel insurance is an area of concern and could helpfully be considered by the Financial Conduct Authority in the context of its broader work around Covid-19.^{xiv}
- Airlines and travel companies may wish to consider initiatives such as highlighting insurance which includes Covid-19 cover^{xiv} or the ability to alter flights without extra charges. However such initiatives should be communicated to consumers in a fair and non-misleading manner and must do what they say they will.

Annex 1: Background reading

BBC news, 'Over-50s rush to book holidays as vaccine boosts confidence'
<https://www.bbc.co.uk/news/business-55654127>

CAA advice on COVID-19: <https://www.caa.co.uk/Our-work/Newsroom/COVID-19/>

CAA data summary: <https://www.caa.co.uk/Our-work/Newsroom/COVID-19-guidance-for-commercial-and-general-aviation/>

CMA statement on coronavirus (COVID-19), consumer contracts, cancellation and refunds, August 2020: <https://www.gov.uk/government/publications/cma-to-investigate-concerns-about-cancellation-policies-during-the-coronavirus-covid-19-pandemic/the-coronavirus-covid-19-pandemic-consumer-contracts-cancellation-and-refunds>

https://ec.europa.eu/cyprus/news/20200702_5_en

Global Travel Taskforce: <https://www.gov.uk/government/publications/global-travel-taskforce-recommendations>

International Civil Aviation Organisation (ICAO), Council Aviation Recovery Taskforce, Take-Off Guidance: Guidance for Air Travel through the COVID-19 Public Health Crisis. See: <https://www.icao.int/covid/cart/Pages/CART-Take-off.aspx>

International Civil Aviation Organisation (ICAO), *Public Health Corridor Implementation*. See: [https://www.icao.int/safety/CAPSCA/Pages/Public-Health-Corridor-\(PHC\)-Implementation.aspx](https://www.icao.int/safety/CAPSCA/Pages/Public-Health-Corridor-(PHC)-Implementation.aspx)

Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020

Office of National Statistics, *Diary of a Nation in Lockdown* (ongoing)
https://www.ons.gov.uk/visualisations/dvc983/Diary_of_a_nation-20200907082746841/index.html

Oliver Wyman, *To Recovery and Beyond, The Future of Travel and Tourism in the Wake of Covid-19*, September 2020

Transport Focus User Community, *What Makes Passengers Feel Safe*, October 2020

Transport Focus, *Air Travel During Covid-19*, January 2021,
<https://www.transportfocus.org.uk/publication/air-travel-during-covid-19/>

<https://blog.aci.aero/covid-19-top-10-customer-experience-recommendations-restart-and-recovery-of-airport-operations/>

<https://blog.aci.aero/covid-19-restoring-passenger-confidence-amid-the-crisis/>

[https://www.icao.int/sustainability/Documents/COVID-19/ICAO Coronavirus Econ Impact.pdf](https://www.icao.int/sustainability/Documents/COVID-19/ICAO_Coronavirus_Econ_Impact.pdf)

<http://www.oecd.org/coronavirus/policy-responses/covid-19-and-the-aviation-industry-impact-and-policy-responses-26d521c1/>

<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis#>

<https://www.retailtimes.co.uk/visible-cleaning-is-key-to-consumer-confidence-research-shows/>

<https://www.which.co.uk/news/2020/07/which-reports-more-than-12000-flight-refund-complaints-worth-5-6m-to-the-regulator/>

<https://www.which.co.uk/news/2020/05/trust-travel-industry-plummets-record-low-amid-coronavirus-refunds-scandal/>

<https://www.which.co.uk/consumer-rights/regulation/package-travel-regulations#can-i-cancel-my-package-holiday>

ⁱ <https://www.caa.co.uk/Our-work/Newsroom/COVID-19-guidance-for-commercial-and-general-aviation/>

ⁱⁱ Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 12.

ⁱⁱⁱ Global Travel Taskforce recommendations:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940142/report-of-the-global-travel-taskforce.pdf

^{iv} Global Travel Taskforce recommendations:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940142/report-of-the-global-travel-taskforce.pdf

^v See: <https://www.fca.org.uk/consumers/insurance-and-coronavirus>

^{vi} See for example <https://www.trailfinders.com/insurance#/step1>.

^{vii} See: <https://www.caa.co.uk/News/Aviation-2020--Data-summary/>

^{viii} <https://www.which.co.uk/news/2020/05/trust-travel-industry-plummets-record-low-amid-coronavirus-refunds-scandal/>

^{ix} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 3.

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- ^x See: <https://yougov.co.uk/topics/travel/survey-results/daily/2021/02/25/d50cf/2>
- ^{xi} <https://www.bbc.co.uk/news/business-55654127>
- ^{xii} https://www.icao.int/sustainability/Documents/COVID-19/ICAO_Coronavirus_Econ_Impact.pdf.
Inmarsat – 65% of respondents intend to take a flight in the next year.
- ^{xiii} Office of National Statistics, *Diary of a Nation in Lockdown*:
https://www.ons.gov.uk/visualisations/dvc983/Diary_of_a_nation-20200907082746841/index.html.
- ^{xiv} Oliver Wyman, *To Recovery and Beyond, The Future of Travel and Tourism in the Wake of Covid-19*, September 2020.
- ^{xv} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 5.
- ^{xvi} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 5.
- ^{xvii} <https://www.transportfocus.org.uk/publication/air-travel-during-covid-19/>.
- ^{xviii} ICAO, Council Aviation Recovery Taskforce, *Take-Off Guidance: Guidance for Air Travel through the COVID-19 Public Health Crisis*. See: <https://www.icao.int/covid/cart/Pages/CART-Take-off.aspx>
- ^{xix} <https://www.retailtimes.co.uk/visible-cleaning-is-key-to-consumer-confidence-research-shows/>
- ^{xx} https://www.transportfocus.org.uk/news-events-media/news/transport-user-voice-october-2020-digging-deeper-into-how-passengers-feel/?utm_source=GM&utm_medium=email&utm_campaign=Transport+User+Voice+-+October+2020&utm_term=Transport+User+Voice&utm_content=61725&gator_td=L1Q8SFuU98c8xVWVFQIMUabsFB7Q90RGorRfnmjERaTfJQF2Bm5UazRxSdeN%2fAsvlnhJGC%2f1KKVEAWArbnCR_Lq1beiNKHhOTt1DjXQxaCellh3mTQeyNPqfRHUPJCg9y6KUaIcp22mExIIPUIMVCGJ5BfAM3fpC4Eu6bypwIzSI%2fsHxkJ1rXPo0JnKodybbbTiJC9PGai6o9fa0ouJUHRc3ly3qTzePCxBKSNTpz%2fEi%2f%2bzUGjVqgFx00gMqCPU4%2f
- ^{xxi} <https://nbaa.org/aircraft-operations/safety/coronavirus/covid-19-point-of-impact/icao-recommends-public-health-corridor-concept-for-certain-international-ops/#:~:text=The%20International%20Civil%20Aviation%20Organization%20%28ICAO%29%20has%20published,disruptive%20to%20the%20supply%20chain%20of%20essential%20goods.#:~:text=The%20International%20Civil%20Aviation%20Organization%20%28ICAO%29%20has%20published,disruptive%20to%20the%20supply%20chain%20of%20essential%20goods>.
- ^{xxii} <https://www.caa.co.uk/Our-work/Newsroom/COVID-19-guidance-for-commercial-and-general-aviation/>
- ^{xxiii} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 12.
- ^{xxiv} Global Travel Taskforce recommendations:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940142/report-of-the-global-travel-taskforce.pdf
- ^{xxv} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 6.
- ^{xxvi} Transport Focus User Community, *What Makes Passengers Feel Safe*, October 2020
- ^{xxvii} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 3.
- ^{xxviii} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 9.
- ^{xxix} See for example: <https://www.spainvisa.eu/spain-introduce-covid-19-vaccination-certificate/>
- ^{xxx} Inmarsat *Passenger Confidence Tracker*, November 2020, 60% of respondents said quarantine was the main worry preventing them travelling abroad, page 5.
- ^{xxxi} The CMA has provided guidance on cancellations and the law. See <https://www.gov.uk/government/publications/cma-to-investigate-concerns-about-cancellation-policies-during-the-coronavirus-covid-19-pandemic/the-coronavirus-covid-19-pandemic-consumer-contracts-cancellation-and-refunds>.
- ^{xxxii} <https://www.caa.co.uk/Our-work/Newsroom/COVID-19-guidance-for-passengers/>
- ^{xxxiii} See for example: <https://www.independent.co.uk/travel/news-and-advice/summer-holidays-booking-government-ministers-b1800869.html>
- ^{xxxiv} <https://www.gov.uk/government/news/global-travel-taskforce-meets-to-map-out-safe-return-to-international-travel>
- ^{xxxv} Global Travel Taskforce recommendations:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940142/report-of-the-global-travel-taskforce.pdf
- ^{xxxvi} Inmarsat Aviation, *Passenger Confidence Tracker*, November 2020, page 5.

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- xxxvii <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis#>
- xxxviii <https://www.which.co.uk/news/2020/07/which-reports-more-than-12000-flight-refund-complaints-worth-5-6m-to-the-regulator/>
- xxxix <https://www.transportfocus.org.uk/publication/air-travel-during-covid-19/>
- xi <https://www.caa.co.uk/Passengers/Before-you-fly/Making-a-booking/Tickets,-fares-and-schedule-changes/>
- xli See: <https://www.which.co.uk/news/2021/02/coronavirus-what-it-means-for-your-travel-insurance/>
- xlii <https://www.which.co.uk/consumer-rights/regulation/package-travel-regulations#can-i-cancel-my-package-holiday>
- xliii https://ec.europa.eu/cyprus/news/20200702_5_en
- xliv See: <https://www.fca.org.uk/consumers/insurance-and-coronavirus>
- xlv See for example <https://www.trailfinders.com/insurance#/step1>.