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## CAA Consumer Panel

Annual Report for the year ended  
31 March 2022



# Contents

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<b>Contents</b>	<b>2</b>
<b>About the CAA Consumer Panel</b>	<b>3</b>
Who we are	3
What we do	3
Our remit	3
<b>Chair’s Foreword</b>	<b>4</b>
<b>Chapter 1</b>	<b>5</b>
How we work	5
Our aims	5
How we prioritise our work	5
<b>Chapter 2</b>	<b>6</b>
Understanding our impact	6
Building the evidence base	6
Driving better outcomes for consumers	7
Influencing future frameworks	9
Priorities for 2020-2022	10
<b>Chapter 3</b>	<b>11</b>
Transparency	11
Expenditure	11
Panel meetings	11
Terms of Reference	11
Working with stakeholders	11
<b>Chapter 4</b>	<b>12</b>
Panel members and secretariat	12
Chair	12
Members	12
Secretariat	14

## About the CAA Consumer Panel

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### Who we are

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The CAA Consumer Panel is a small group of independent experts, who bring together deep consumer expertise and experience along with strategic thinking, applying this 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

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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 interests 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.

### Our remit

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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

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As we come to the end of this reporting year, we are starting to see the country and aviation sector begin to recover from the pandemic. Estimates vary, but there is consensus that recovery will take time, and it will be a number of years until the aviation sector returns to pre-pandemic levels of activity.

As with last year, throughout 2021 circumstances changed rapidly and unexpectedly, and we have adapted our work plan to take this into account. We continued our work on how to rebuild consumer confidence as the sector reopens, with a focus on ensuring consumers are at the heart of plans to reopen, and pressing for the CAA to have improved consumer enforcement powers to ensure consumer protection in the uncertainty ahead.

We have continued our planned work programme alongside the work shaped by the pandemic, including on environmental sustainability, vulnerable consumers and economic regulation. We have contributed to a number of consultations this year focusing on improving consumer protection and rebuilding for the future, including responding to consultations by the Department for Business, Energy and Industrial Strategy, the Department for Transport and the Transport Select Committee.

We have worked with a number of teams across the CAA this year to shape the evidence gathered about consumer attitudes, including on ATOL, environmental sustainability, air traffic control and Covid-19. This data has been used to inform policy decisions and approaches, and has demonstrated the value of ensuring that a strong evidence base of consumer views lies at the heart of decision-making. We look forward to working further with the CAA to shape their future consumer insight programme to ensure relevant and timely data is available to inform regulatory decisions to benefit the CAA, industry and consumers.

As we come to the end of yet another turbulent year, the Panel hopes that we are now starting to see the start of a sustained recovery for the aviation sector. There will be many challenges ahead, not least in the summer of 2022 as passenger numbers increase and disruption continues, but we look forward to working with the CAA, Government and industry to keep consumers at the heart of decision-making so that the sector is able to recover and welcome back all those who wish to fly.



**The Right Hon Jenny Willott OBE**  
CAA Consumer Panel Chair

## Chapter 1

# How we work

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## Our aims

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The Panel exists to make sure that the consumer interest is placed at the heart of the CAA's work, helping the CAA uphold consumer choice, value and fair treatment and improve consumer protection outcomes. 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. This holds true even more so as the sector begins to recover from the pandemic, as high levels of trust will power the recovery, ensuring consumers feel confident to travel and book ahead. 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 finally, when things go wrong, consumers should have quick, fair and easy access to redress.

## How we prioritise our work

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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

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This report covers the year to 31 March 2022. Over the year, we focused on the key themes from our 2020-2022 work programme of building the evidence base, driving better outcomes for consumers and influencing future frameworks. Below we set out the work we have undertaken over the year, along with our plans for the year to come.

We also have a number of important relationships with a range of stakeholders. As well as the CAA, these include industry representative bodies, other regulatory consumer panels and consumer organisations, and third sector bodies with whom in a more usual year we would meet more regularly. As a small policy advisory body embedded within the CAA, these relationships allow us to work collaboratively and 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

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In order to develop policy that reflects consumers' priorities and needs, and is correctly targeted, a strong evidence base is key. Our work programme committed to continue to input to the design of the Aviation Consumer Survey, provide advice on new questions and areas to explore, and offer insights and analysis of the results for each wave.

**Aviation Consumer Survey:** The Panel provided support to the latest wave (wave 10) of the tracker, including helping to shape a number of the questions asked, in particular those around consumer experiences of travel during Covid-19. We also input to the final presentation of the results.

Fieldwork for this survey took place in Autumn 2021 and resulted in the production of a full report and shorter reports on the impact of Covid-19, ATOL and the environment. The Panel appreciates both the longitudinal data provided on areas such as satisfaction with the aviation experience and the data focused on the three specific areas of interest noted above. The evidence is useful to support the Panel's scrutiny of CAA and Government policy and strategy, and enables the development of more effective evidence-based proposals for change in areas such as the drive for improvements in consumer redress, environmental information for consumers and strengthening ATOL protection for consumers.

**CAA consumer insight work:** The CAA has been considering its approach to the way it collects and collates consumer insight. The Panel provided advice, in particular cautioning against reducing the frequency of the Aviation Consumer Survey as there are unlikely to be benefits to having less data and the survey provides a good basis on which to identify trends and base deeper, qualitative, dives. The Panel also suggested greater thought is given to how data is utilised across the organisation once collected and suggested more thought is

given to how datasets are highlighted to CAA staff (for example through initiatives such as world café sessions) as well as how data is highlighted externally and used by stakeholders.

**ATOL reform:** After pre-engagement between Panel members and the ATOL team, the Panel formally responded to the CAA's consultation on '*ATOL Reform: Assessment of funding arrangements and the protection of customer money CAP 2151*' in July 2021. The Panel received a presentation on progress at its October 2021 meeting and will continue to be involved as the CAA develops the final options. One of the Panel's recommendations was that the CAA gathers primary consumer insight in this area to help inform its decision making. A piece of research has now been commissioned, which aims to understand consumer attitudes to ATOL protection and how changes to the scheme might affect post-pandemic purchase of package holidays. The Panel is involved in the research design, workshops, and results as they take shape.

**Sharing learning:** Following a meeting between the Consumer Panel Chair and the CEO of Transport Focus, the Panel secretariat organised a workshop where Transport Focus presented their experiences of gathering insight during the pandemic, the many challenges this produced as well as the opportunities, and the ways the organisation adapted in order to be able to continue to tap a rich vein of consumer experience and insight during a period when consumer views and preferences were quickly changing and at points where people were not always able to meet in person (for example to attend focus groups or answer surveys). Colleagues from across different directorates at the CAA were able to attend and share learnings.

## Driving better outcomes for consumers

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The Panel's focus is on improving the aviation experience for current and potential aviation consumers. Whilst a key concern is price, it is also 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. The needs of consumers at risk of vulnerability should be taken fully into account so they are also able to participate in the market effectively and we believe consumers need to be able to seek quick and fair resolutions when things go wrong, with complaints data used systematically by industry to inform improvements over time.

**Supporting passenger confidence:** Last year the CAA Board asked for the Panel's advice on supporting passenger confidence in the context of industry restart and recovery. We published a paper setting out various recommendations. One of the points we made was that there is a very large amount of complex, confusing and potentially conflicting information in the current climate. Whilst we recognise the complexity of the situation, and also that the CAA is not responsible for providing much of the information (such as travel advice or rules), we have worked with the CAA to review the main consumer-facing information on its own website, with the intention of making it more consumer friendly and easier to understand.



In September 2021 we refreshed our recommendations in view of the changing situation and provided them to the Transport Select Committee call for evidence on *'Airlines and airports: supporting recovery in the UK aviation sector'*. Our response highlighted many of the points made in the Panel's paper on *'Supporting passenger confidence'* and the Panel's response to the BEIS consultation on *'Reforming the Competition and Consumer Landscape'* and we called for improved information, attention to ensure consumers at risk of vulnerability are not disadvantaged during the pandemic or as recovery proceeds, and civil enforcement powers for the CAA. We also responded to new areas such as the CMA's work on the Covid-19 testing market.

The Panel Chair went on to give evidence to the Committee in November 2021. In particular, she highlighted that the onus should not be on passengers to have to go to lots of different places to find information. It needs to be simple and straightforward for them to find the information they need, which ideally should be in one place, so that passengers can comply and the intended public health measures are achieved. The Chair also highlighted the importance of having minimum standards in place, which are enforced, to underpin confidence, and called for gaps in consumer protection which have been identified during the pandemic to be addressed during the different legislative initiatives which are currently under consideration. The Chair also reiterated the Panel's support for the CAA to be given civil enforcement powers.

**Economic regulation of Heathrow:** Our work programme said we would help to ensure the CAA's approach to economic regulation takes into account the interests of consumers. Throughout the course of the year, we have input a number of times as the Heathrow 'H7' price control progressed. We were pleased to see that, following the closure of the dedicated Heathrow Consumer Challenge Board, the CAA has continued to work to enhance the consumer voice in its approach to H7, through working with the Panel. We were also pleased to see a strong consumer focus in the CAA's H7 Initial Proposals (for example see chapter 14 CAP2265D and CAP2266F). We will continue to provide input on the regulation of Heathrow, including ahead of the CAA's H7 Final Proposals.

**Economic regulation of NATS En Route plc:** The Panel responded to the CAA consultation on *'Economic regulation of NATS (En Route) plc: further update on approach to the next price control review ("NR23"): CAP2160'* in July 2021. We were very pleased that NATS commissioned a piece of research to examine the consumer interest – something that we had previously called for. The Panel provided input to this research as it developed. This should provide a strong evidence base for both NATS and the CAA, and ensure the consumer interest is better understood in this area. We were also pleased to see the CAA refer to our suggestion for greater consumer representation in the price control process. We further called for the CAA to articulate the process it intends to take in defining affordability and protecting consumer interests, and to address how it intends to determine the allocation of the financial burden of the pandemic between investors and consumers.

**Improved approach to consumer vulnerability:** The Panel has asked the CAA to take a more holistic approach towards consumer vulnerability for many years. The Panel proposed



a definition of consumer vulnerability which the CAA adopted, and throughout the year the Panel has supported CAA work to embed its approach to vulnerability across the breadth of the organisation's work. In particular, the Panel input to a toolkit which has been developed for staff in the regulator to help them understand and operationalise their response to vulnerability.

## Influencing future frameworks

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The Panel recognises that many significant changes and challenges are taking place in the aviation sector at this time. Within this context, we have sought to improve outcomes for consumers by helping to ensure the right frameworks are in place.

**Reform of the competition and consumer landscape:** In September 2021 the Panel responded to the BEIS consultation on '*Reforming Competition and Consumer Policy*'. We welcomed many of the significant and wide ranging proposals it contained. Clear consumer rights form the basis for a vibrant market where consumers can shop around, exercise choice and vote with their feet. However, without effective enforcement to back them up and act as a deterrent for bad behaviour, consumers cannot exercise those rights in reality. We therefore supported the CAA's request for enhanced civil enforcement powers, enabling the regulator to deal more swiftly and effectively with compliance issues leading to benefits for consumers and businesses who do play by the rules. We also supported the focus in the consultation on good complaints handling and access to redress, including those which consumers can enforce themselves. However, there were areas where we felt proposals could be strengthened, in particular we felt that the CAA ought to have powers to regulate complaint handling in the aviation sector. We also believe access to Alternative Dispute Resolution should be mandatory in the aviation sector and explained why this is so important in our response.

**The regulatory framework post EU exit:** In January 2022 the DfT published a consultation on '*Reforming aviation consumer policy*'. Whilst we welcome many of the proposals, including on providing the CAA with civil enforcement powers, mandating Alternative Dispute Resolution in aviation and improving the ability for passengers with reduced mobility to obtain compensation for lost or damaged equipment, we raised concerns about the proposed changes to compensation levels, which could leave delayed passengers on domestic flights significantly worse off than those on international flights. We are also concerned that the different treatment of passengers on the same flight could increase confusion and lead to a reduced take up of compensation. We have reservations about some of the proposals relating to mobility equipment, which we are concerned could discriminate against passengers with disabilities: this is an area that would benefit from reform, but we are concerned the current proposals only tackle part of the issue.

**Sustainability and the environment:** In the summer of 2021, the CAA Chair Sir Stephen Hillier asked the Panel to input to the CAA Board away day in September 2021, which focused on sustainability and the environment. The Panel held a workshop and put together a paper giving its views on issues and questions the Board might use to frame its thinking

as it set the parameters for a new environmental strategy. The Panel's views were taken into account and will influence the strategy as it develops, ensuring it retains a strong consumer focus. In addition, the CAA is putting in place a new Sustainability Panel, modelled on the Consumer Panel, and where relevant we will work with this panel on environmental issues that have implications for consumers. We will also provide support to ensure it develops into a successful, vibrant and credible source of information for the CAA to draw upon.

**Input to development of the CAA's strategic framework:** The Panel input to the CAA's strategy in the first half of 2021. Of particular interest, the CAA has developed and published five regulatory principles which it uses to frame the way it regulates (see CAP2181). In these regulatory principles, it cited the Panel's consumer principles publication as part of a regulatory toolkit and training material being developed for CAA staff. The consumer principles are also highlighted in the CAA's work on vulnerability. This will help staff at the regulator consider the consumer interest in a straightforward and systematic way when developing policy or considering options.

## Priorities for 2022

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The impact of the Covid-19 pandemic on the aviation industry has been absolutely enormous. We have now substantially delivered the work programme we set out to implement at the start of 2020, along with new additions due to the changing external context. Over the course of 2021-22 the terms of some of our members ended and new faces have arrived. In Q3 2022, we will therefore set out a new work programme recognising the changed landscape and new priorities. In the meantime, we will continue to focus on:

- Working with the CAA, Government and industry to help mitigate the impact ongoing disruption is having on consumers.
- Supporting passenger confidence and making sure the consumer voice is heard as recovery from the pandemic proceeds.
- Continuing to work with the CAA to make sure the regulator retains focus on the consumer interest throughout its work.
- Ensuring the needs of those at risk of vulnerability are recognised and prioritised.
- Supporting the CAA's call for greater consumer enforcement powers and helping to shape how this could best be delivered by Government.
- Continuing to press for improvements in protection, redress and how consumer complaints are dealt with by airlines and airports where opportunities arise.

## Chapter 3

# Transparency

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## Expenditure

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The Panel cost the CAA £64,908.50 in Chair and member fees and expenses in the year to 31 March 2022.

## Panel meetings

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In the year ending 31 March 2022, the Panel met formally four times. The minutes of these meetings are published on the CAA website (<https://www.caa.co.uk/Our-work/About-us/CAA-consumer-panel>). In addition, various sub-groups of the Panel worked on individual workstreams throughout the year.

## Terms of Reference

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The Panel's Terms of Reference are published on the CAA website (<https://www.caa.co.uk/Our-work/About-us/CAA-consumer-panel>).

## Working with stakeholders

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The Panel primarily interacts with the CAA, providing advice and engaging with staff at all levels. In addition, in 2021-22, as part of its work with stakeholders our secretariat and members engaged with:

- Airport Operators Association
- Airlines UK
- Communications Consumer Panel
- Department for Transport
- Financial Services Consumer Panel
- Legal Services Consumer Panel
- Transport Focus
- Transport Select Committee
- Which?

## Chapter 4

# Panel members and secretariat

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## Chair

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### **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 until December 2020 was 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

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### **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 was appointed to the Panel in October 2018. She is also a member of the Office of Rail and Road Consumer Expert Panel. She is 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. During 2019/2020, Carol chaired a team of experts on consumer education and produced a policy options paper for the European Commission. Her research interests include consumer policy, complaint management, dispute resolution, consumer empowerment and customer experience. 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 (Panel member to October 2021)**

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 and Independent Chair of the Market Arrangements Code Panel which oversees industry self-governance in the non-household competitive retail water sector in England. 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 Office of Rail and Road Consumer Expert Panel, and a Board Member of Transport Focus. Trisha is also a Board Member of Energy Action Scotland, the Independent Chair of SSEN's Inclusive Services Panel 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 on the board of the Gambling Commission, and now chairs the board of IMPRESS (the Independent Monitor for the Press).

### **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 (Panel member to October 2021)**

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 Board; 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**

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### **Harriet Gamper (Secretariat to February 2022)**

Harriet is a Principal in the CAA's Consumers and Markets Group, assigned to support the Panel. She is a public policy specialist, specialised in consumer and competition policy in regulated markets, with particular focus on vulnerable consumer groups. She has over ten years' experience in the sector, holds a Masters in law and economics, 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.