

JET2.COM
SUBMISSION TO AVIATION 2050 - THE FUTURE OF UK AVIATION

About Jet2.com

Established in 2003, **Jet2.com** is the third largest airline in the UK, flying from nine bases across the UK to more than 70 sun, city and ski destinations. In 2019 we expect to carry nearly 15 million passengers, operating a fleet of 100 aircraft. Our famously friendly service wins many accolades, including Best Airline – UK and Best Low-Cost Airline – Europe and Best Airline - Europe, at the TripAdvisor Travellers' Choice Awards in 2019. We've also won Best Short Haul Airline at the Globe Travel Awards five times in just seven years, most recently in 2018. Plus, we are proud to be the only UK airline with Which? Recommended Provider status, and to be awarded five stars for On-Time Performance by OAG.

Jet2.com owns the UK's second largest tour operator, **Jet2holidays**, which offers thousands of 2 to 5-star ATOL-protected package holidays to more than 500 resorts across the Mediterranean, Canary Islands and to European leisure cities. In 2019, we are ATOL licensed to take over 3.8m customers on holiday. **Jet2holidays** is proud to have won many leading travel industry awards including Best Short Haul Operator two years running in 2017 and 2018, as well as Best Trade Friendly Brand, at the Globe Travel Awards. In January 2018, the benchmark UK Customer Satisfaction Index (UKCSI), produced bi-annually by the Institute of Customer Service, named **Jet2holidays** 9th out of almost 250 companies for customer service, the highest ranked tour operator for customer satisfaction in the study.

Introduction

As acknowledged recently by the CAA, UK air passengers today enjoy fantastic connectivity, both in terms of the number of destinations served and number of airlines flying those routes alongside high levels of service when compared to all other modes of transport. In Autumn 2018, the CAA's UK Aviation Consumer Survey found that over 82% of people were satisfied with their overall travel experience. In recent years, both legacy airlines and new operators in the UK have flourished as air travel has become more accessible and affordable. The aviation industry is now a significant contributor to the UK's economic success, creating significant employment opportunities, regional investment and connectivity. As a leisure travel operator with bases across the UK, our customers enjoy an unprecedented range of tourism destinations and products across the Mediterranean, the Canary Islands and European leisure cities at an affordable price.

We are acutely aware of the challenges faced by the aviation industry, not least in terms of economic uncertainty, fuel and currency volatility, fiercely competitive market conditions, downward price pressure and high fixed costs, all of which make for an increasingly difficult environment. We welcome the Government's intention to formulate a long-term plan for sustainable growth to ensure the aviation industry's continued success to 2050 and beyond, and concur with the Government's desire to maintain high levels of customer service - particularly for those with additional needs - as well as ensuring that growth is sustainable from an environmental perspective.

We commend the Government on the scope and ambition of its review, but we strongly believe that any proposals which are ultimately made by Government must be proportionate, evidence-based and subject to comprehensive and specific consultation. This will ensure that the Government's objectives are achieved without the introduction of excessive regulation which has the potential to stifle growth, add cost and reduce the incentive on airlines and airports to invest. It will also mitigate the risk of the UK aviation industry becoming uncompetitive in an international marketplace, which we believe is particularly important as the UK prepares to leave Europe.

Structure of *Jet2.com*'s response

Jet2.com welcomes the opportunity to submit its views to the consultation Aviation 2050 - the future of UK Aviation. In this submission, we have not sought to comment on every policy proposal, but – following the Government's strategic themes - have set out our general views and have sought to address specific questions and recommendations within the consultation document. For reference, we have included a summary of the Government's key proposals (and the paragraph reference) in italics at the start of each section of our response.

Jet2.com consultation response

1. **Build a global and connected Britain: further expanding and liberalising our connectivity to new and existing global markets, promoting our successful aviation and aerospace industries and leading by example on the global state on open trade, the environment and security.**

1.1 *Standards (2.10)*

Government proposals:

- ***continue to support the development of robust international common standards that are aligned to the interests of the UK***

We agree with the ethos of developing robust international common standards that are aligned to the interests of the UK, particularly in the priority areas of safety, security and environment. A patchwork of different standards will simply add cost, complicate and/or diminish prospects of compliance and have the potential to create imbalance for aviation businesses which are competing in a global market.

We agree that the Government should remove barriers to growth, whilst ensuring that air travel remains safe, secure and environmentally sustainable. As acknowledged by the Government, the UK is already a global leader in setting of international standards and we believe the Government should not work alone in this area; close collaboration with ICAO, the European Civil Aviation Conference and Eurocontrol is a pre-requisite to ensure any new standards or regulation remain proportionate, consistent with what is applied across Europe and beyond, and do not add further regulation without compelling justification. We also firmly believe that the UK's ongoing participation in the EASA system and ICAO is fundamental to the future success of UK airlines and that Brexit should not change this approach.

1.2 *Environment (2.11)*

Government proposals:

- ***negotiate environmentally effective emissions reduction measures***
- ***support and strengthen the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)***
- ***negotiate for a long term goal for international aviation climate emissions***

Any emission reduction measures must be proportionate, be universally applied and must not entail the UK setting a standard which is different to that being sought at a European or global level.

Like other airlines, **Jet2.com** continues to innovate in order to reduce emissions through initiatives such as low power take-offs, single engine taxiing, the introduction of newer, quieter and cleaner aircraft and ground handling equipment, and initiatives designed to optimise aircraft performance such as continuous descent approaches and performance-based navigation.

It is important to ensure that duplication is avoided in the implementation of the CORSIA scheme with other regional, national or international schemes, and that any proposed changes are fully consulted with throughout the aviation industry with adequate time for all opinions to be heard. Given the Government's stated intention to subscribe to CORSIA, we advise against additional emissions reduction measures and we would be concerned about any initiatives which do not apply to aviation on a global scale, given the inter-connected nature of the industry. We also call on the Government to clarify the status of existing EU-ETS obligations of UK AOC holders in the event that there is EU-ETS and CORSIA crossover, especially in light of Brexit.

1.3 **Security (2.12 – 2.13)**

Government proposals:

- ***support the effective implementation of the Global Aviation Security Plan***
- ***targeted support through ICAO for the universal implementation of security standards***
- ***keep aviation safe from hostile insider actors***

We agree with the Government's proposals, provided that the regime remains in line with standards applied throughout Europe, and does not impose more stringent requirements on UK airlines than its European competitors. We are already conscious that certain areas of the UK's security requirements are amongst the most stringent in the world, and to avoid confusion amongst consumers and operational challenges in meeting these requirements, we would urge the Government to ensure there is consistency with the operational practices within Europe wherever possible.

1.4 **Trade (2.14 / 2.28 – 2.34)**

Government proposals:

- ***build consensus on the merits of worldwide liberalisation of air traffic rights***
- ***ensure our air services allow commercial flexibility and avoid unnecessary administrative burdens on industry***
- ***fully liberalise air traffic rights to remove restrictions to freedoms, frequencies, destinations and carriers and seek multilateral agreements where possible***
- ***modernise restrictions on airline ownership by focusing on place of business***

We agree with the Government's ethos, but by far the most pressing priority for Government is to negotiate an ambitious, liberal and comprehensive aviation services agreement with the EU which enables UK aviation to ensure that UK airlines have the same level of access to the EU market as at present. Air connectivity to and within Europe is vital in supporting UK businesses and passengers and it is crucial that UK aviation is not placed at a disadvantage by limiting the level of access to the EU market. In **Jet2.com's** case, given its leisure travel focus, the liberalisation of European aviation has enabled it to open up new and exciting destinations around the EU for customers to enjoy at an affordable cost, bringing with it significant tourism

revenue for EU businesses. The impact on customers of any reduction in this flexibility must not be underestimated.

Any liberalisation of traffic rights or restrictions around ownership & control should only be introduced on the condition that these principles are replicated by other EU countries, so as to not place UK airlines at a competitive disadvantage with its EU counterparts in a post-Brexit world. Any greater liberalism should be conditional on receiving reciprocation from the EU as part of the comprehensive aviation services agreement, so that UK airlines have equal access to fly within the EU after Brexit. Without this, the facility and incentive for the UK aviation industry to grow will be limited, and the impact on consumers will be material.

2. **Ensure aviation can grow sustainably: moving beyond an artificial “choice” between growth and environmental protection by building a new partnership that actively supports sustainable growth with actions taken to mitigate environmental impacts**

Government proposals:

- ***consult on proposed legislation which would give the power to direct airports or ANSPs to take forward airspace changes***
- ***support the Industry Resilience Group to encourage airlines to plan manageable schedules and consider the case for intervention in the context of resilience***
- ***consider development of the slot allocation system to deliver best consumer outcomes***
- ***negotiate in ICAO for a longer-term goal for international aviation that is consistent with the temperature goals of the Paris agreement and accept the recommendation that emissions should be at or below 2005 levels in 2050***
- ***consider all feasible environmental impact abatement options, including setting new objectives to limit adverse effects of aviation noise and achieve better noise outcomes, improve monitoring of air pollution and support development of cleaner fuels***

2.1 *Airspace modernisation (3.28)*

UK airspace has not been fundamentally re-designed or modernised since the 1950s and as a result it is highly inefficient, causing unnecessary delay for customers and additional cost for airlines. Without modernisation, air traffic delays are estimated to increase to 5.6 million minutes a year by 2030. We believe that airspace modernisation offers the single biggest benefit in terms of delivering the objectives of the Government’s consultation in ensuring aviation can grow sustainably. **We would urge the Government to prioritise an accelerated programme of airspace modernisation for the benefit of customers and the aviation industry alike.** We strongly support the proposal to consult on legislation which would give the Government the power to direct ANSPs and airports to take forward airspace changes.

It is important to acknowledge that airspace modernisation will also enable the implementation of better operating procedures such as continuous climb and descent procedures and reduction in aircraft holding, all of which have significant environmental benefits in both reducing carbon emissions and noise output. Many of our aircraft have highly sophisticated tools on board which enable these initiatives to be deployed, but the restrictions caused by operating in airspace requiring modernisation means that the full benefit of such tools cannot yet be realised.

We agree with the comments made by Airlines UK in their submission of 11 April 2019.

2.2 *Efficiency / resilience (3.30 – 3.45)*

UK airlines already spend enormous time and care in planning their schedules which are complex and susceptible to a range of variables including weather. Airlines are particularly adept at dealing with disruption, and we do not believe that further Government intervention is appropriate in this area.

At times of disruption, support, engagement and consultation from the Government and/or the CAA would be welcomed, particularly in granting relief to airlines where compliance with particular regulations becomes impossible (such as where there are force majeure events). It is already in an airline's best interest to ensure minimum disruption to its scheduled operations. Careful management of capacity, and clear communication between airlines, airports and Government agencies will ensure that disruption is kept to a minimum.

We agree that there is a need to ensure that airports have sufficient and suitable infrastructure to cope with adverse weather events and that they declare capacity which takes this into account. We would also point out that certain disruption will be minimised if the identified airspace modernisation initiatives were enacted. We do not, however, believe there is a case for Government intervention in the context of capacity declaration at airports. We believe that this is a task best reserved to each airport, working in conjunction with the UK slot regulator, Airport Coordination Limited (ACL).

We agree with the comments in the consultation document that airports must have resilience at the heart of their operation, and welcome the proposal to develop resilience and contingency planning guidance; we support the setting of minimum standards in this area. Over last 2 summers, we have seen the massive impact UK airports can have on customer satisfaction, with one of the biggest concerns being repeated failures of baggage systems leading to delays, missed baggage and considerable customer inconvenience. **In our view, more needs to be done to ensure airports have back-up systems in place to deal with infrastructure problems, particularly as additional security measures are introduced. We believe Government has a role to play in ensuring airports are fit for purpose and are providing the required investment and managing their operations appropriately.**

2.3 *Slots allocation (3.46 – 3.65)*

We agree with the IATA Submission on Airport Slots, and have the following additional comments to make.

Reform of slot allocation rules

The current IATA Worldwide Slot Guidelines have been (and continue to be) developed over many years and are a cornerstone of the aviation industry globally. This approach has allowed both legacy airlines and new operators to flourish and in recent years, a vibrant low-cost airline sector has developed, including services at many of the most heavily congested airports in Europe. The UK has benefited from this approach with a wide range of new services now being provided to worldwide destinations using the current slot allocation rules and processes.

We do not believe there is a compelling case for reform of the UK's slot allocation system. We are unclear on what problems have been identified or are envisaged regarding airline services and competition. Ultimately, aviation is a fiercely competitive environment with a good degree of substitutability between airports and routes and this ultimately benefits the consumer. **If any changes to the current slot allocation system are to be proposed, this should be agreed**

through consultation with IATA and the wider aviation industry, based on sound, independent evidence and delivered through adjustment of the existing IATA guidelines, rather than any independent approach by UK Government.

Management of new aviation capacity in South East England

We can see that careful consideration will need to be given to the allocation of new aviation capacity in South East England as a result of Heathrow expansion, but we do not believe this should trigger wholesale reform of the current worldwide slot allocation system. We do not believe the current system (and its rule about continued usage) means that it is possible for airlines to “hoard” slots. The UK has one of the most “open” slot regimes in Europe, with slot trading transactions published on the Airport Coordination Limited (ACL) web-site. Whilst additional guidance on secondary trading may be beneficial, we do not see any fundamental problems with the current practice.

Payments for slots / early allocation

We caution against the Government impacting airlines’ commercial interests by requiring payments for slots as this is likely to create an imbalance between competitors and cause the cost of aviation to rise as airlines seek to recover their costs. We are also concerned that equivalent tools would be adopted in other countries (by way of reciprocity) which could ultimately harm the interests of UK aviation and consumers.

We agree that where significant new (or reduced) capacity decisions are being made, then new capacity decisions could be made earlier. Typically, an airline will go on sale between six and twelve months in advance and significant pre-planning and investment goes into these decisions. Not having confirmation of the availability of airport slots until up to three months before services take place does not provide the certainty required for this magnitude of investment. A significant risk therefore exists of the cancellation, or changes to operating plans, which has a direct negative impact on consumers.

“New entrant” rules / market based mechanisms

Existing IATA Slot Guidelines require 50% of slots in the slot pool at congested airports to be made available to new entrants. New entrants therefore already have strong incentive to develop new services and we do not see any need to change the current definition.

Any changes to the existing new entrant rules would impact on the ability of existing airlines to grow. These airlines may be in a development phase and therefore should be entitled to the same rights as brand new operators. It should be noted that airport slots are only one element in the establishment of new airlines and services which require very significant financial capital and time to create profitable services, particularly at heavily slot constrained airports where the cost of operations will often be the limiting factor.

Introducing market-based mechanisms could lead to the polarisation of slots to the largest, most profitable airlines with only the companies with the deepest pockets being able to bid for new capacity. We do not believe this outcome is compatible with the stated objectives of the Aviation Strategy document to increase consumer choice and competition. **In our view, funding of airport expansion should be kept distinct from allocation of capacity, to avoid undue influence from key customers and further restricting choice. It is important that the benefits of a wide variety of airlines and destinations can be maintained.**

Reform of “grandfather” rights rules

The current “grandfather” rights rules are enshrined in the IATA Worldwide Slot Guidelines and have enabled airlines to build services with certainty, derive return on their investment (against a backdrop of very high operating costs) and have also permitted the creation of a dynamic market place. **Removing these rights risks the cancellation of services in which an airline has invested significantly on a long-term basis. This would also lead to consumer detriment due to potential cancellations and removal of the more marginal services as airlines concentrate their resources to the most profitable routes.** Given the worldwide nature of the current approach, if the UK were to adopt this policy unilaterally, it will also be very difficult (if not impossible) to manage if the destination airport is also a heavily congested airport where potential new entrants could not obtain the reciprocal slots.

Slot renting / bundling / auctions

Under the “80/20” rule, airlines have to make use of 80% of a slot in a season or this is returned to the pool for reallocation. This system works and allows schedules to be adjusted to cope with seasonal peaks and changing market needs. Slot renting has resulted in short-lived services which only operate for the rental period and therefore we do not believe this would deliver long-term benefit. As referred to elsewhere in this submission, existing mechanisms are in place to encourage the introduction of cleaner, quieter and more efficient aircraft, and optimisation of operations and we do not believe the slot allocation process should be used to further these aims.

Single airline dominance one airport

Aviation is (and will continue to be) a fiercely competitive market and there is a good degree of substitutability between airlines and airports throughout the UK which has significant consumer benefit. In these circumstances, and given the existing oversight from the Competition and Markets Authority, we do not believe that there is a need for enhancing the role of the CAA in the monitoring of airline services and competition, nor do we believe that there is currently a case to reform slot allocation processes which are working effectively, although we agree that this should be kept under review. We accept that the way in which slots are allocated at a newly expanded Heathrow is a key consideration to maintain appropriate levels of competition between airlines operating from that airport.

2.4 *Tackling aviation’s impact on climate change (3.77 – 3.101)*

We agree with the Government’s proposals to ensure that (Carbon Offsetting and Reduction Scheme for Aviation) CORSIA is successfully implemented as widely as possible and accept the global target to cut CO₂ emissions to 2005 levels by 2050. Airlines including **Jet2.com** are investing heavily in this area through the introduction of new, more fuel efficient and quieter aircraft, engines and ground handling equipment and this, alongside other operational, technological and infrastructure measures referred to in section 1.2 above, will help to make achievement of the target possible. However, the delivery of airspace modernisation initiatives remains key to success in this area and we call on the Government to prioritise this area.

Any emission reduction measures must be proportionate, universally applied and must not entail the UK setting a standard which is different to that being sought at a European or global level. It is important to ensure that duplication is avoided in the implementation of the CORSIA scheme with other regional, national or international schemes, and that any proposed changes are fully consulted with throughout the aviation industry with adequate time for all opinions to be heard. Given the Government’s stated intention to subscribe to CORSIA, we advise against additional emissions reduction measures and we would be concerned about any initiatives

which do not apply to aviation on a global scale, given the inter-connected nature of the industry.

We do not believe that the only way to deliver improvements in emissions or noise is to cap or limit growth. We believe that airspace modernisation, alongside operational, technological and infrastructure operational improvements will help to deliver sustainable growth without an unacceptable impact from an environmental perspective.

2.5 **Managing noise (3.102 – 3.127)**

It is important to recognise improvements which have been made to date by UK airlines in managing the noise impact of operating an aviation business. In *Jet2.com*'s case, we have implemented a number of changes intended to improve noise outcomes, including low power take-offs, single engine taxiing and the introduction of electric belt loaders. We advocate further investment by airports in providing more universal fixed electrical ground power and charging points for electrical vehicles.

However, any changes to the current policy must be proportionate and bear in mind the significant impact on airlines, particularly when considering the composition of their fleet. New policies that require airlines to make material changes to its existing fleet have the potential to be highly impactful and uneconomic, and could put UK airlines at a significant disadvantage to European airlines.

We agree with the conclusion of ICAO that uncoordinated policy developments to address aircraft noise could hinder the role of aviation in economic development. Any changes that are proposed must be implemented over an appropriate period of time to permit airlines to adjust its programme without which there will be significant impact and potential cost increases for consumers. **It is worth remembering that aviation remains a low margin business and it is important to ensure that changes are not introduced which are likely to hinder the economic development of UK aviation.**

We believe that existing constraints and the cost and environmental benefits of introducing a newer, cleaner and quieter fleet will be sufficient incentive for airlines without the need for new statutory enforcement powers for Government.

2.6 **Air quality (3.123 – 3.126)**

We agree with the sentiment from Government and believe that the aviation industry needs to work together in order to develop this area. However, we believe that any developments in this area must be proportionate, and are implemented over a period of time to ensure that UK aviation is not disadvantaged.

3. **Support regional growth and connectivity: ensuring aviation enables all regions of the UK to prosper and grow, providing jobs and economic opportunities and a meaningful contribution to the life of communities up and down the country**

Government proposals:

- ***provide guidance to ACL on allocation of slots and consider ring-fencing***
- ***continue to provide policy support for lifeline services to connect regions***
- ***continue to support public service obligations and consider scope expansion***

- *create a careers map for the aviation industry*
- *introduce measures to drive down cost of pilot training*
- *encourage diversity in employment*

3.1 *Ring-fencing slots (4.15)*

We concur with the Government's objective to boost regional connectivity but do not have specific suggestions regarding how the pool of slots from Heathrow expansion should be handled. We do however believe that the Government should consider not just connectivity within the UK, but also the promotion of connectivity from regional airports, thereby reducing flying and surface access and creating a positive impact on efficiency.

3.2 *Public service obligations (PSOs) (4.19)*

We concur with the Government's objective to boost regional connectivity. However, we are of the view that regional services should be encouraged to operate direct flights to Europe, avoiding the need to operate into connecting airports. This will enhance efficiency and connectivity to passengers based in regions outside of London.

3.3 *Air passenger duty (APD) (4.27 – 4.31)*

We believe the Government should urgently review the harmful effects of Air Passenger Duty which is the highest in Europe, undermines the competitiveness of the UK as an aviation hub and has the potential to inhibit growth. Growth should not be regarded as a given and further taxation has the potential to reduce connections and frequency at UK airports. At present, Government appears to recognise the value of new routes to the UK, but then taxes heavily those passengers travelling on them. At the very least, we call on Government to use the revenue derived from APD to deliver the countless positive initiatives contained within the Government's Aviation Strategy.

3.4 *Pilot training / diversity (4.51 – 4.84)*

We agree with the concept of a VAT exemption for flight training. Further, we are of the view that the Government should take steps to incentivise and raise awareness of opportunities for students from all backgrounds to develop highly skilled jobs (particularly within the field of engineering) to help support industry growth within the aviation sector and to reduce a skills shortage. Engineering is, in our view, a particular priority and should not be overlooked. We would encourage Government to consider initiatives which are likely to encourage more engineers joining the aviation industry, whether through financial incentives or otherwise.

We strongly believe in diversity throughout our workforce. Whilst we subscribe to the principle of employing the best person, bearing in mind at all times the safety critical nature of many roles within aviation, we recognise that it is important to support initiatives to promote diversity by encouraging applications from women into engineering and pilot roles, and by making adjustments where possible to accommodate disabled candidates.

4. **Enhance the passenger experience:** ensuring all passengers have the best possible experience of UK aviation, working with industry to promote the existing and widespread best practice, but also driving up standards and enforcement in areas where improvement is needed

Government proposals:

- *develop and adopt a new Passenger Charter that sets out what passengers can expect through their journey and deliver improvements in service for passengers*
- *support the Charter with a performance framework with clear KPIs*
- *expand enforcement powers for the CAA with respect to PRMs and compensation claims*
- *improve border performance standards through changes to business and delivery models and funding arrangements*
- *demonstrate zero tolerance for disruptive passenger behaviour, raise awareness of penalties and adopt relevant measures in response to the findings of the call for evidence on airside alcohol licensing*
- *increase number of passengers eligible to use eGates and consider a new operating and funding model and support innovation*
- *set standards for notification of and dealing with flight delays*
- *develop a performance framework including KPIs to monitor performance standards*
- *review ADR to ensure it is working in the best interests of customers and encourage take-up*
- *expand the range of enforcement powers available to the CAA*
- *ensure that consumers have transparency in terms and conditions and can make informed decisions on allocated seating*
- *extend the role of Transport Focus to represent air passengers*
- *consider the recommendations of the Airline Insolvency Review*

4.1 **Passenger charter (5.10 – 5.19)**

Customer service standards in aviation are already extremely high (especially when taking into account average fares paid by customers, particularly in the short haul market). In Autumn 2018, the CAA's UK Aviation Consumer Survey found that over 82% of people were satisfied with their overall travel experience, a satisfaction level which is well above those seen in other transport modes (where the product is easier to deliver). To add further regulation for airlines has the potential to increase the cost of compliance, which will ultimately be passed on to customers through ticket price. It is important to remember that in the same CAA UK Aviation Consumer Survey, the single biggest barrier to flying is "budget constraints and the cost of travel", and by forcing airlines to pass on additional costs to customers could cause fewer customers to fly. Ensuring that aviation remains affordable for all should remain a central part of the overall offering to customers.

We strongly believe that customer service is a differentiator between airlines, and this, when combined with the legislation which already applies to UK airlines, creates sufficient incentive to maintain high levels of customer service. **If the Government proceeds with the proposal to introduce a Passenger Charter, it should represent advice on best practice only, and a signpost to existing rights, rather than representing an added level of regulation in an already heavily regulated sector.**

Rather than taking a generic approach to customer service, we believe that the Government's attentions would be better focused on areas where there is significant evidence of customer dissatisfaction and the benefits of intervention are clear.

4.2 **Performance framework / KPIs**

We are concerned about the practicality of introducing a performance monitoring system which will require significant resources from the CAA, airlines and airports in order to comply and monitor a new system of reporting. It is also not clear how any KPIs will be implemented, operated and reported on and this would need careful consultation. We also question whether it is appropriate for aspirational standards to be measured and doubt it is possible for there to be an objective comparison between airlines which have dissimilar business models, routes and operations. Given the highly subjective nature of the standards proposed we question how these will be measured in a manner that is accurate and consistent throughout the entire airline industry without the risk of misleading customers.

4.3 **Standards for notification of delays, complaint handling and compensation claims**

The airline industry is already heavily regulated, and the introduction of further regulations regarding the notification of delays, complaint handling and compensation is unnecessary. Further, reference to the introduction of standards for complaint handling and compensation is vague.

Jet2.com already responds to complaints in a timely manner whilst not compromising the quality of its responses, and takes great pride in the speed with which complaints are dealt with. The Government should also consider that time frames for responding to complaints may vary throughout the year due to the seasonal nature of the airline industry's busy periods and related higher volume of claims. **We do not believe there is sufficient evidence of a high level of customer dissatisfaction in this area to justify a measure which could subject airlines to significant additional cost at a time when market conditions within aviation are extremely challenging.**

4.4 **Allergies**

Any guidelines for airlines must be proportionate and based on sound scientific and medical evidence. **Jet2.com** takes the welfare of its passengers very seriously, and by way of example, already takes a number of steps for customers with nut allergies including making announcements on board, requesting that nuts are not consumed on board, warning those customers seated around the allergy sufferer of the situation, carrying suitable medication on board and providing suitable training to our colleagues.

We note that the Government's proposals focus on nut allergies but there are a vast number of allergies passengers may suffer from (in addition to nut allergies).

Although we are anxious to do what we can to assist in this area, it is ultimately for customers to take accountability by ensuring that they seek appropriate medical advice, carry the correct medication and make airlines aware of any particular issues which may arise during the course of a flight. We are not aware of similar focus for other modes of transport and would encourage the Government to take a consistent approach. We also understand that the CAA is currently undertaking its own review of the medical evidence around nut allergies and air travel and urge the Government to await the outcome of this research prior to making any further recommendations in this area.

4.5 *Passengers with additional needs*

We understand the Government's intention to introduce an accessibility framework and look forward to engagement to ensure that any framework is realistic, achievable and proportionate. **We believe the Government has a role to play in raising awareness amongst PRMs of the importance of notifying airlines of their specific requirements so that they can be provided with appropriate assistance to facilitate a safe and comfortable journey.**

In *Jet2.com's* case, in addition to the provision of training to our cabin crew and ground operations team, we have invested heavily in providing support to those requiring assistance, including the establishment of a dedicated Special Assistance team. During our booking process there is a facility to identify what special assistance may be required, which triggers a referral onto our specialist team who can then liaise with the customer direct, to identify how best we can assist throughout their journey (including for our package holiday customers, their experience in resort).

We agree with taking a common approach to customers with hidden disabilities.

We do not believe that removal of limits for damage caused to wheelchairs during flight is possible without an adaptation of the Montreal Convention, and customers already have the facility to seek higher levels of coverage through making a specific value declaration to the airline or using their own travel insurance to manage the risk. Saddling airlines with further unquantified risk and liability in this area would have to be passed on to all customers through pricing which we do not believe is in their interest given there are other more proportionate means of achieving the same outcome.

We do not believe that Government intervention regarding storage standards is necessary. In *Jet2.com's* case, there is no evidence that poor storage standards are leading to specific issues and we believe that any action taken by the Government should be evidence-based and be subject to industry-wide consultation.

To improve the performance standards by airlines, we believe that there are a number of initiatives which the Government could implement to increase the level of pre-notification by PRMs. Many of the challenges in providing the best quality of service to PRMs arise from late or no notification of requirements, and airlines and airports having to provide support at short notice. This is reflected by the very small number of complaints which *Jet2.com* receive from PRMs who have pre-notified the airline of their requirements, and the high volume of pre-notification (c.80% of customers requiring special assistance notify us in advance). **We believe that the Government has a significant role to play in highlighting the importance of pre-notification, whilst airlines continue to make available information to their customers at the time of booking and thereafter.**

We remain uncertain whether enabling wheelchair users to travel in their own air-worthy wheelchair on an aircraft is achievable in practice given the Gravitational forces which must be withstood on an aircraft and the design and construction implications to combat these, and we are concerned that the impact on airlines would be disproportionate, given the proposal would only create a solution for a limited number of wheelchair users, when there can often be many more wheelchair users on board. Whenever considering the use of wheelchairs and the location of PRMs on board, safety needs to be taken into account, especially in the event of an evacuation.

Jet2.com is already committed to increasing accessibility for PRMs to *Jet2.com* flights and enhancing the comfort experienced throughout their journey. This is demonstrated by the low

volume of complaints *Jet2.com* receives from PRMs and more widely by the fact that in the Autumn 2018 CAA UK Aviation Consumer Survey the clear majority of those who received assistance for their last journey were satisfied with each aspect of this service. In such circumstances, it appears disproportionate to regulate the entire airline industry when there is already a body of law which is specifically designed to protect the rights of PRMs. It is suggested that such time and effort would be better spent focussing on improving airlines that do not take such issues as seriously and are consistently receiving complaints from PRMs.

Airports are the party providing the majority of ground support for PRMs and the owner of the key supplier relationship in this area, and we believe that airports should be scrutinised to ensure that they have adequate resources in place so that PRMs receive the appropriate level of care and attention throughout their journey. Strict service level agreements should be in place to create accountability for delays which PRMs encounter, particularly in connection with the delivery to and collection from the aircraft.

Further, provisions should be implemented to ensure that any scheme is not abused by individuals who seek the benefits of special assistance for convenience rather than out of necessity.

4.6 *Disruptive passengers (5.35 – 5.41)*

We are pleased to see the measures which the Government proposes to include in any charter. **However, law reform in this area is critical to safeguard UK aviation and its customers and to reduce the number of incidents taking place. We urge the Government to extend licensing laws for alcohol service to an airside environment and do not see any justification for a different regime to apply within an airport when compared to any UK high street.** We also believe that tamper proof bags should be in use universally for all airport retail of alcohol. Further awareness raising campaigns from Government setting out the implications of disruptive behaviour, most notably that it is a criminal offence to be drunk on board an aircraft, will be welcomed.

4.7 *Improving the experience at the Border (5.42 – 5.53)*

The experience at the Border makes a significant difference to overall customer satisfaction and is the subject of most complaints by *Jet2.com* customers. **We strongly believe that UK Border Force should be subject to an appropriate service level which means that customers have to wait no longer than is necessary at the Border, and we do not see why the relative performance of Border Force at each airport should not be ranked and publicised.** We advocate new mechanisms for measuring performance at the Border which provide an accurate measure of performance, use global benchmarking as a means of quality assessment and measure performance at a regional and airport level. **These service levels should be used to allocate resources and there should be genuine recourse for the industry where SLAs are not met; there is no reason why Government should be exempt from scrutiny in an area which has such a direct correlation to passenger satisfaction.**

We welcome initiatives to make the border experience more streamlined, whether through the use of technology or otherwise (at all times bearing in mind the balance between cost and complexity). **In our view, this fundamental public service should be provided at the cost of Government rather than any other funding model.** Airlines and their passengers are already contributing significantly to this area through APD, visa charges, e-Gate installation and

maintenance costs and we are therefore strongly opposed to any further direct passenger charge in this respect.

We believe that attention applied to the arrangements at the Border could make a significant difference to overall customer satisfaction, and unlike certain of the other initiatives included in the Government's consultation, are supported by strong evidence which demonstrates the need for greater Government intervention and improvements in customer service standards.

4.8 *Complaints and compensation (5.54 – 5.58)*

As has been stated elsewhere in this submission, we strongly believe that Government should only contemplate the introduction of further regulation where it is based on firm, objective evidence and would lead to a material improvement for consumers. We are concerned that the proposals contained within the consultation document may not be based on such evidence of dissatisfaction and could impose significant additional burden and cost on airlines without a corresponding improvement in consumer benefit.

We believe that the level of information provision around flight delays or cancellation by UK airlines is already good. Given the current legal obligations within Regulation EU261, the significant information available online and the activity of claims management companies, we do not believe that the Government needs to set standards for timely notification to passengers. In our experience, the claim rate for compensation under Regulation 261 is already extremely high (c.80% of our customers on eligible flights claim for compensation) and our focus is on paying eligible claims as quickly as possible. With this in mind, we have a team of over 30 specialist claims handlers, dedicated webpages and a webform which allows direct claims to be made to **Jet2.com** without needing to involve a claims management company. When things do not go to plan, we want to ensure that our customers receive the compensation they are entitled to without unnecessary delay, and we are proud of our track record in promptly paying compensation for eligible claims. By implementing the resources referred to above, **Jet2.com** already ensures that the compensation process is as straightforward as possible. Further, given the complexity of Regulation 261 and the vast volume of case law on the subject, it would appear difficult to simplify the process without first amending and clarifying the Regulation itself.

We believe that claims management companies working in the aviation delay claims sector should be subject to regulation, to help protect customers and reduce unnecessary administrative burdens on airlines.

We would be concerned about any attempt to set standards over the quality of response to complaints, given this is highly subjective. We would also be concerned about who would undertake this supervisory role, given the resources of the CAA are already constrained. Specifying a timescale for responding to complaints will also be difficult, given some complaints will be much more complex than others and will require more time to investigate and resolve, and without significant additional resources being invested, the speed with which airlines can deal with complaints will vary given the fluctuation of volumes during the year. Our earlier comments in section 4.3 about financial efficiency and placing a significant additional and unsustainable financial burden on airlines applies equally here.

4.9 ADR (5.55 – 5.58)

We believe that the ADR schemes which have been approved by the CAA require adaptation, in that they do not deal with complaints on a flight by flight basis, so there is the potential for customers to receive differing outcomes even though they travelled on the same flight. We are also concerned that the quality of decision making in a complex area of EU law may not be of sufficient quality. Jet2 would be open to joining an ADR scheme if the following changes were introduced. These changes would guarantee the ADR system is robust and fit for purpose, delivering fairness and clarity to all involved.

Firstly, flight delay compensation claims should be processed on a per flight basis, rather than passenger by passenger. This ensures that all passengers on any given flight receive the same decision on the eligibility for EU261 compensation, providing consistency and fairness and removing the current scenario which has resulted in passengers on the same flight receiving conflicting decisions on their claims. This will benefit passengers by removing any uncertainty about their claim.

All of the passengers' claims on a particular flight are either valid or invalid and they are most sensibly dealt with once thoroughly rather than cursorily and often inconsistently many times for each individual passenger. **By ensuring a single decision is followed, rather than considering potentially hundreds of individual claims, the ADR provider will benefit by reduced demands on their time and resources.** Allowing an opportunity to give greater attention to the compensation claim will ensure evidence from both sides can be more effectively scrutinised, helping to improve the overall quality of decisions.

Following the completion of this process, on the condition that the decision had been reached by the ADR provider that the passengers on the flight are eligible for compensation, **Jet2.com** would immediately pay out any claims made to date through the ADR scheme for that flight. Any further passengers on the same flight who submit a claim for delay compensation through the ADR scheme would then be treated in the same way, without being required to submit additional evidence or go through the lengthy claim process themselves. **This would save passengers considerable time and remove any doubt or uncertainty regarding the outcome and validity of their claim for compensation.**

Secondly, to address the current imbalance in not offering both airlines and passengers an opportunity for redress following a decision, **Jet2.com suggest the introduction of a facility for an independent review of the decision for future reference and learnings.** Jet2 believe that it is right that airlines be afforded a right of reply, which doesn't currently exist. This would have no bearing on the decision itself, and therefore passengers' compensation would remain payable in any event. This would include any additional passenger claims made, which would remain payable even if the independent review concluded that the original decision was incorrect. It would also have no impact on a passenger's ability to refer the case to the courts if they wished to further challenge an ADR decision which found the claim to be ineligible.

The key benefit of introducing this additional level of scrutiny would be that all future cases would be able to draw upon a greater body of evidence. This would deliver continual enhancement of the ADR process, improving decision making to the benefit of all. **Jet2.com** envisage that this process would be seldom used, with airlines only beginning appeal proceedings on principles of law, based on all the available evidence, when in disagreement with an ADR decision. Introducing these changes would give Jet2.com more confidence about entering into an arrangement with one of the two currently approved ADR providers.

We have prepared a paper setting out our proposals in this area which is included as Appendix 1 to this submission. We would be pleased to engage with Government to explain more on this subject.

4.10 *Performance framework (5.33)*

We do not believe a performance framework with KPIs is appropriate. As stated above, to add further regulation or KPIs for airlines has the potential to increase the cost of compliance, which will inevitably have to be passed on to customers. We strongly believe that customer service is a differentiator between airlines, and this, when combined with the legislation which already applies to UK airlines, creates sufficient incentive to maintain good levels of customer service. We are also concerned about the practicality of introducing a performance monitoring system which will require significant resourcing from the CAA and question whether aspirational standards can be measured with an objective comparison between airlines which have dissimilar business models, routes and operations.

Regulation 261 is already a highly draconian piece of legislation which has a significant impact on UK airlines, particularly given the compensation regime is not correlated to the ticket price. In *Jet2.com*'s case, our average fare is £80, whereas the usual compensation for a customer who is delayed more than 3 hours is €400. **This disproportionate approach is unlike any other consumer protection legislation in Europe (if not the World), and we would urge the Government to take this into account when reviewing this area.** For our most common aircraft type, an eligible delay can mean compensation of up to €75,000 being payable, not taking into account any knock on impact within our programme. The legislation already sets out a number of remedies for non-compliance and we do not therefore believe that further enforcement powers are warranted. **We advocate an urgent review of this legislation, noting that the Aviation Minister previously stated in 2015 that a review was required in order to "strike the right balance between adequately compensating passengers for time lost, while ensuring that burdens on industry are appropriate".**

4.11 *Airline failure (5.59 – 5.63)*

We note the recommendations of the Airline Insolvency Review but have the following comments:

- The Review identifies very clearly that only a tiny fraction of passengers passing through UK airports in any one year are likely to require repatriation due to an insolvency event. Expressed in cost terms, the Review estimates that the expected annual cost of repatriation operations is very low at just under £7m, with a 70% chance of repatriation costs of less than £3m in any year. Conversely, there is a 2% chance of repatriation costs in excess of £70m in any year and less than a 0.5% chance of repatriation costs in excess of £125m in any year (a 1 in 200 year event). **Therefore, we reasonably believe that the occurrence of a material insolvency event remains extremely small.**
- With this backdrop we have concerns that the proposed funding mechanism for repatriation (security plus a fixed levy), represents an approach that is not proportionate to the overall risk that has been identified and calculated. We also believe that the estimated average 40p per passenger for security does not adequately convey the real position for individual airlines (the Review makes clear that the price for security is airline specific) and therefore the potential distortion this may bring to the market. Indeed the capacity and appetite to supply the security in the Insurance market is currently unknown and at best

may be limited and therefore may well be punitive for airlines in what could be a captive market.

- **Therefore, we do not believe that a levy/security based approach is necessarily the right solution. If a funding mechanism for repatriation is to be considered, it would need to be based on a single average cost across the Industry to ensure a level playing field, but at a rate which is commensurate with the risk, which as the Review states many times is very low.**
- We support the Airlines UK view that the CAA should act as the Coordinating Body, with an improved CAA oversight regime which could include:
 1. annual certification to confirm financial fitness; and
 2. the ability to grant a temporary special purpose licence to enable an airline to conduct a managed repatriation operation, even where the airline does not have a future.

We believe that any proposal of this nature must be worked up in conjunction with the industry, but that that any proposed oversight regime should be proactive and focus on the prevention of an insolvency rather than seeking to penalise the sector financially after the event.

- Finally, we remain concerned that the complexity of the interplay between ATOL protection and the envisaged Flight Protection Scheme has not been sufficiently addressed in particular:
 - the fact that our particular operation is a leisure travel business ie: currently 50% flight-only and 50% package holidays passengers;
 - complicating the cost of calculating an airline's call on the Flight Protection Scheme where the repatriation cost may be impacted by ATOL cover for customers in the same location ie: which customers are on which plane, as customers will be mixed; and
 - in an insolvency situation itself, as the recommendation is not to pool ATOL/Flight Protection Scheme funds (see figure 8.5 on page 89 of the Review) we anticipate it may become an administrative headache to sort the relevant balances out

Given the Airline Insolvency Review was only published on 9 May, we believe that there needs to be a separate, comprehensive consultation exercise on this subject, which takes into account views from across the aviation industry before any further proposals are made by Government.

4.12 *Booking information and terms and conditions (5.64 – 5.67)*

The CAA has just concluded a review of airline terms & conditions. Given the CAA Aviation Consumer Survey confirms the majority of customers were net satisfied with the process of booking their flight, we do not see why further measures would be required in a charter.

4.13 *Allocated seating (5.67)*

We believe customers should have the facility to choose where they would like to sit on an aircraft. We do not believe that Government has a role to play in restricting that choice.

4.14 **Transport Focus (5.67)**

We do not see what role Transport Focus would play given the existing role of the CAA's Consumer Panel.

5. **Ensure a safe and secure way to travel: maintaining and further building the UK's position as one of the safest and most secure aviation systems in the world, and work closely with international partners to support improvements in both safety and security overseas, in order to protect the interests of UK citizens around the world**

Government proposals:

- **mandate peer support programmes across all safety critical elements of aviation**
- **incentivise take up of technology and innovation to facilitate greater interoperability and reduce costs and risks**
- **introduce mandatory identification of all aircraft in UK airspace**
- **continue to support a no-blame culture in the air and on the ground**

5.1 **Peer support (6.6 – 6.12)**

We agree with the Government's proposals to mandate peer support programmes across all safety critical elements of aviation, building on the EASA-regulated pilot schemes by extending schemes to all safety critical roles including engineers and air traffic controllers. Further, we are of the view that a joined-up approach should be adopted on issues concerning safety and security. For instance, peer support could also be an effective way of identifying insider security risks as well as improving safety issues.

5.2 **Use of technology (6.12 / 6.21 – 6.25)**

We agree with the Government's plans to incentivise take up of existing technology and new innovation by working with industry to set out common specifications to facilitate greater interoperability, reduce cost, and to mitigate safety risks.

5.3 **New business models (6.19 – 6.20)**

We agree with the Government's proposed approach to develop a partnership model with European and international regulators to facilitate flexible and effective oversight of new global business models. Further, it is our view that further resource is required to ensure that regulatory deficiencies concerning safety issues identified in countries outside of the United Kingdom are addressed and improved.

5.4 **Drones/lasers (6.27 – 6.32)**

We agree that there should be mandatory identification of all aircraft in UK airspace and call on the Government to take urgent action in this area given the risks to which the UK aviation industry is currently subject.

5.5 **Safety partnerships (6.46)**

We agree with the Government's proposed approach. Further, we are of the view that ICAO should also be encouraged to make data and assessments relating to security (as well as safety) issues more accessible.

6. **Support General Aviation:** ensuring that Government has appropriate and proportionate policies to build on the success of General Aviation

Government proposals:

- *continue working with EASA to develop a proportionate regulatory framework*
- *identify opportunities for reducing regulatory burdens*
- *review the UK's approach to general aviation safety*
- *introduce mandatory identification of all aircraft in UK airspace*
- *introduce civil sanctions for Air Navigation Order offences*

Whilst not directly relevant to **Jet2.com's** business, we concur with the Government's proposals around General Aviation.

7. **Encourage innovation and new technology:** to be at the forefront of research and development, and exploiting the possibilities of new aviation technologies

Government proposals:

- *determine next steps for unmanned traffic management*
- *implement mandatory identification of all aircraft*
- *create an Aviation Data Action Plan*
- *support early safe demonstration and piloting of new technologies*
- *use public awareness campaigns to demonstrate the benefits of new technology*

7.1 ***Unmanned Traffic Management (8.9)***

We agree with the Government proposals to work with the CAA and industry to determine the next steps for Unmanned Traffic Management technology and regulation in the UK, and more widely consider the impact that UTM will have on the aviation sector as a whole.

7.2 ***Data sharing and use (8.19 – 8.21)***

We do not have sufficient information about the type of data which the Government proposes should be shared in order to comment on this section. However, we would be extremely concerned about any attempt to mandate the sharing of commercial data given its sensitivity and the potential crossover with personal data.

7.3 ***Piloting of new technologies (8.31 – 8.32)***

We agree that Government should support industry with the early safe demonstration and piloting of new technologies and support to enable business models and where appropriate.

Questions / contacts

Should there be any questions regarding Jet2.com's submission to the Aviation 2050 Consultation, please contact ian.day@jet2.com in the first instance.

Jet2.com Limited
20 June 2019

APPENDIX 1

Jet2.com ADR Briefing

Background/context

Jet2.com is proud to be Britain's most punctual airline, with 89% of flights arriving at their destinations on time.¹ Occasionally, though, things can go wrong, and flights are delayed. If the delay is over 3 hours, passengers are eligible for compensation under EU regulation 261. If the delay is our fault, it's only right that passengers receive compensation and *Jet2.com* is fully committed to ensuring this is done swiftly and without fuss.

However, due the lack of clarity and detail provided by EU 261, itself a poorly drafted piece of legislation (cases concerning EU261 have been referred by EU member states' national courts to the European Court of Justice more times than any other EU regulation), deciding on flight compensation claims can be a significantly challenging task. Many claims relate to complex issues such as air traffic control (ATC) restrictions or weather conditions, which can be beyond an airline's control. When claims for compensation are made, the burden of proof lies with airlines, who must provide information which satisfies that the cause of a delay or cancellation was an extraordinary circumstance that was unavoidable even after all reasonable measures had been taken.

Article 5.3 of EC Regulation 261/2004:

An operating air carrier shall not be obliged to pay compensation in accordance with Article 7, if it can prove that the cancellation is caused by extraordinary circumstances which could not have been avoided even if all reasonable measures had been taken.

Where claims are eligible, the financial consequences are significant – costing up to £75k per delayed flight, if a delay affects the return flight too, the compensation payable by airlines is doubled to £150k. Airlines' profit margins on flights are often low, frequently under 5%.

The Civil Aviation Authority (CAA), which is designated as the competent authority under the EU's ADR Directive and runs a Passenger Advice and Complaints Team (PACT), has concluded that it is not responsible for consumer complaint handling and that the role be fulfilled by private ADR schemes. In December 2017, the CAA stated that "the future of consumer complaints handling in aviation lies not in the Civil Aviation Authority (CAA) handling individuals' complaints, but in this important work being done by private alternative dispute resolution (ADR) schemes".²

ADR providers

Given the complexity of many cases and the sums of money involved, it is important that those who adjudicate have the necessary awareness and understanding of the law, which itself continues to evolve, adding a further challenge. *Jet2.com* is concerned that the two CAA approved ADR providers in the UK may have neither the required time nor detailed insight required to make effective decisions. We understand that both providers have limited time to review cases and are struggling under the weight of the number of cases received. Reviews themselves are based on written submissions only, without making full provision for questions to be asked or clarifications made.

¹ OAG Monthly On-Time Performance Reports, September 2018 – January 2019

² ADR in the aviation sector – a first review, Civil Aviation Authority, December 2017

<http://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=8152>

Importantly, once a decision has been reached by the ADR provider that compensation is payable, the airline is not offered any opportunity for further review. However, if a decision finds that compensation is not payable, passengers are able to refer their cases to the courts where the decision may be reversed. In general, court proceedings offer a more robust and detailed analysis of claims, with all evidence being interrogated conclusively, and the relevant EU and English case law correctly applied, by an experienced judge, in a way that may not be possible in the current ADR process.

ADR schemes, which are designed for small claims, such as a broken sofa or a defective television, are unsuitable for resolving issues running to six-figure sums around a poorly drafted piece of European legislation.

Furthermore, despite the underlying cause of any flight delay being the same for each passenger, compensation claims are processed individually, which adds significantly to the strain placed on ADR providers.

For these reasons, **Jet2.com** has declined to sign up to ADR schemes, membership of which is voluntary, preferring to process customers claims internally and referring any unresolved disputes to the CAA's PACT scheme in the first instance. It is regrettable that the CAA wishes to end the PACT scheme. **Jet2.com** has a strong track record of operating in this way, with over 98% of all claims concluded without further action taken. Whenever **Jet2.com** are responsible for a delay that meets EU 261 requirements, compensation is paid without dispute.

Jet2.com's proposed reforms

Jet2.com would be open to joining an ADR scheme if the following changes were introduced. These changes would guarantee the ADR system is robust and fit for purpose, delivering fairness and clarity to all involved.

Firstly, flight delay compensation claims should be processed on a per flight basis, rather than passenger by passenger. This ensure that all passengers on any given flight receive the same decision on the eligibility for EU261 compensation, providing consistency and fairness and removing the current scenario which has resulted in passengers on the same flight receiving conflicting decisions on their claims. This will benefit passengers by removing any uncertainty about their claim.

All of the passengers' claims on a particular flight are either valid or invalid and they are most sensibly dealt with once thoroughly rather than cursorily and often inconsistently many times for each individual passenger. By ensuring a single claim case for the decision is followed, rather than potentially hundreds of individual claims, the ADR provider will benefit by reduced demands on their time and resources. Allowing an opportunity to give greater attention to the compensation claim will ensure evidence from both sides can be more effectively scrutinised, helping to improve the overall quality of decisions.

Following the completion of this process, on the condition that the decision had been reached by the ADR provider that the passengers on the flight are eligible for compensation, **Jet2.com** would immediately pay out. Any further passengers who submit a claim for delay compensation would then be treated in the same way, without being required to submit additional evidence or go through the lengthy claim process themselves. This would save passengers considerable time and remove any doubt or uncertainty regarding the outcome and validity of their claim for compensation.

Secondly, to address the current imbalance in offering both airlines and passengers an opportunity for redress following a decision, **Jet2.com** suggest the introduction of a facility for an independent

review of the decision for future reference and learnings. **Jet2.com** believe that it is right that airlines be afforded a right of reply, which doesn't currently exist.

This would have no bearing on the decision itself, and therefore passengers' compensation would remain payable in any event. This would include any additional passenger claims made, which would remain payable even if the independent review concluded that the original decision was incorrect. It would also have no impact on a passenger's ability to refer the case to the courts if they wished to further challenge an ADR decision which found the claim to be illegible.

The key benefit of introducing this additional level of scrutiny would be that all future cases would be able to draw upon a greater body of evidence. This would deliver continual enhancement of the ADR process, improving decision making to the benefit of all.

Jet2.com envisage that this process would be seldom used, with airlines only beginning appeal proceedings on principles of law, based on all the available evidence, when in disagreement with an ADR decision. Introducing these changes would give **Jet2.com** more confidence about entering into an arrangement with one of the two currently approved ADR providers.