

Brussels, 2 December 2008

## **Consumers: European Commission steps up pressure on airlines to ensure websites selling tickets fully comply with EU law**

*On the eve of a meeting of 27 national enforcement agencies and stakeholder groups in Brussels, Vice President Tajani, EU Transport Commissioner and EU Consumer Commissioner Meglena Kuneva have stepped up pressure on airline companies selling tickets on the web to meet their legal obligation to fully comply with all the requirements of EU law. In a joint letter to the airline representatives, the two Commissioners have set out a 30 point checklist of consumer rights which all web pages selling air tickets must respect. Following industry feedback, the checklist will be consolidated. The Commission's letter requests that members of the airline associations amend all websites to ensure they fully comply with all the listed obligations. A user friendly version of the checklist should also be made available on websites for consumers. The letter informs the airline representatives that the Commission intends to make public the results of "health check" of the sector- an independent study which will identify compliant and non-compliant operators - in May 2009. The work with industry is taking place in parallel with additional efforts by the Commission to increase enforcement controls at national level. Commission Kuneva addressed Ministers at the Competition Council on 1<sup>st</sup> December 2008 calling on them to concentrate all the necessary additional efforts and resources on the airline investigation to enable a final wrap up in May 2009. The letter from Vice President Tajani and Commissioner Kuneva makes it clear that if national authorities persistently fail to act on violations of the law, the Commission would need to consider infringement procedures.*

Commissioner Kuneva said: "My message to the airline industry is very clear, full compliance with EU law is an obligation, not an option. And the patience of consumers across the EU is wearing thin. 60% of websites with irregularities have now been corrected as a result of our EU investigation which is ongoing since September 2007. But there are still too many consumer complaints about hidden charges and fees, and too many cases where pricing is not clear. The Commission is going the extra mile to help the airline industry put its own house in order. But in May 2009, we intend to call time and publish our own compliance report on the sector."

Vice-President Tajani added: " Thanks to the European law all passengers must have access to the real price to pay in full transparency. This is a big step ahead which allows passengers to compare the prices and choose their carrier on an informed basis. We count on the co-operation of airlines to secure the protection of their consumers: it is in their advantage to guarantee the best quality of services and a fair competition". "

## CURRENT SITUATION

### Enforcement is still ongoing

More than 700 million air tickets are sold every year in the European Union. These sales are highly digitalised but it is clear that the rights of consumers buying such tickets online are still not secure since the Commission continues to receive many complaints about air ticket selling websites. The preliminary work within the European Enforcement network has been intensified following the Airline Sweep investigation in September 2007 when 1 in 3 websites surveyed (137 out of 386 originally checked by the 13 reporting countries) had to be followed up with enforcement action, and the progress report on enforcement in May 2008, when 50% of sites had been corrected.

The Commission has been monitoring developments in the airline sector since then and will produce a "wrap up" final report in May 2009 as well as an assessment of the need for any further action at that time including infringements procedures if necessary.

### Two new pieces of legislation

Two major pieces of European legislation improving air passengers' rights have come into force recently: the Directive on Unfair Commercial Practices and the Air Services Regulation. These two new measures create a clear and straight forward legal framework for business operators selling air tickets. Businesses are of course required to comply with these legal provisions and industry's role in this process as a representative of the industry's associations is highly important.

### Next steps

**Step 1** The Commission has asked **industry's active engagement** through their participant business associations and to guide this work has prepared a detailed checklist (attached to memo). The checklist sets out in simple terms all the obligations for websites selling airline tickets at all the various stages of the purchasing process, including. The checklist has been given to industry representatives for consultation or feedback. A consolidated final version will be published in the coming weeks on the Commission's website.

- **Price:** Final price indications including all unavoidable and foreseeable charges and fees must be shown from the beginning, customers must be fully informed of payable charges; all optional charges must be offered on an 'opt in' basis
- **Access to the air fare:** the fare should be granted without any discrimination based on nationality or place of residence of the consumer or the geographical location of the travel agent
- **Arrangements for payment:** all the steps must be clearly indicated so that the customer is fully aware of when the transaction is finalised and on how much s/he is paying
- **Language:** The language used in advertising and pricing must be maintained throughout the selling process
- **Special offers:** the number available must be indicated as should the period of availability from the beginning of the booking process.
- **Free tickets:** Any statements about free tickets must represent getting a valid ticket without any payment of any kind; this also applies to the frequent flyers programmes

**Step 2: Stepping up work with Member States.** Commissioner Kuneva presented the issue of enforcement to Ministers at the Competitiveness Council on 1 December 2008, appealing to give the resources necessary to make cross border enforcement fully effective. In particular she will urge Ministers to make the airline ticket sweep investigation (the first EU joint enforcement investigation launched in September 2007) a political priority, and concentrating all the necessary resources and efforts at national level to conclude the wrap up report by May 2009.

**Step 3:** In Spring, the Commission will verify the practices of air-ticket selling websites all over the EU. This will amount to a "health check" or survey **of the sector**: it will give a picture of compliance with the new rules and it will identify compliant and non-compliant companies. The findings of the study will be presented by May 2009 together with the conclusions of the 2007 joint investigation or sweep on WebPages selling air tickets.

**Step 4: Building enforcement capacity** – Building on the lessons learned in the first two years of operation of the new CPC (Consumers Protection Cooperation) enforcement network, the Commission will run a series of workshops to look at strengthening the co-ordination of the network in terms of issues such as deadlines for requests from another member state, effective handling of cross border cases, and dealing with different national legal interpretations of the law. The results of those discussions will feed into the **Communication on Enforcement planned for June 2009**. The aim is to strengthen the network's ability to fully enforce EU law.

For more information on enforcement action:  
[http://ec.europa.eu/consumers/enforcement/sweep/index\\_en.htm](http://ec.europa.eu/consumers/enforcement/sweep/index_en.htm)