

EUROPEAN CONSUMER CENTRE IRELAND

Press release

Thursday, December 3, 2015

Consumers still facing difficulties receiving compensation in cases of delayed and cancelled flights

Lack of awareness about air passenger rights, as well as problems with compliance by airlines and effective enforcement, has led to some consumers turning to private complaint management companies to pursue claims for compensation, a new report from ECC-Net (European Consumer Centres Network) has found.

The ECC-Net Air Passenger Rights Report 2015, titled 'Do consumers get the compensation they are entitled to and at what costs?' and which was launched today, examines the main problems currently faced by air travellers. Air travel is the number one area when it comes to cross-border complaints addressed by the ECC-Net.

With air travel increasing in popularity, air passenger rights is one of the most important areas of consumer protection within the EU. Since the beginning of 2015, European Consumer Centres received more than 4,000 complaints from consumers across Europe who had difficulties receiving compensation in cases of delayed or cancelled flights.

In 2014, approximately 25 per cent of all recorded complaints were in the area of transport, with 46 per cent of these relating specifically to air passenger rights. When the country of the trader was examined, the report found that 63.4 per cent of all complaints in 2014 are against air carriers from only five countries, with Ireland in the top spot at 18.3 per cent followed by Germany (17 per cent), Spain (13.4 per cent), the United Kingdom (7.7 per cent), and France (7 per cent). In 2015 (January to June), 61.7 per cent of all complaints were against air carriers from the same countries, this time with Germany in number one position at 21 per cent, followed by Ireland (14 per cent), Spain (13.4 per cent), the United Kingdom (8.3 per cent), and France (5 per cent) who was also tied with Italy (5 per cent).

Findings:

The difficulties faced by consumers when claiming their right to compensation have contributed to the development of private complaint management companies pursuing such complaints in exchange for a share of the compensation which may be obtained.

The report found there is a growing market for private claims companies and that one reason for this is the lack of knowledge among consumers about their air passenger rights and how to complain.

As the EU Regulation on air passenger rights (EC) 261/2004 provides for specific remedies in the event of flight delay or cancellation, the process should be straightforward and costless for consumers. If airlines were to comply with legislation, and follow the decisions adopted by the relevant enforcement bodies, costs could be reduced by resolving complaints out of court. The

¹ See attached report regarding ECC-Net statistics and further information.

report also calls for improved co-operation between national enforcement bodies, the ECC-Net, consumer protection organisations and the airlines sector to ensure that passengers receive the required care, assistance and compensation, regardless of the airline they fly with or the country they depart from.

"The report shows that consumers are still not fully aware of their air passenger rights and that access to compensation in cases of delay or cancellation still proves difficult. If there was better awareness of rights, and improvements in the level of compliance by airlines as well as enforcement, then perhaps consumers would receive the full compensation they are entitled to without the need to pay private claims companies to exercise their rights. These private claims companies may deduct a fee of at least 20 per cent. Additional fees may be applied on top of that, so it could end up costing consumers up to 33 per cent in some cases. Also, if the judge finds in favour of the consumer, airlines may be required to pay not only compensation to the consumer but also the legal costs of the company concerned," says Martina Nee, Press and Communications Officer with ECC Ireland.

ENDS

For more information/media queries, please contact Martina Nee, ECC Ireland press and communications officer, on (01) 8797 643 or email mnee@eccireland.ie. ECC Ireland can also be found on Twitter @eccireland.

Notes to Editor:

- The ECC-Net Air Passenger Rights Report 2015 "Do consumers get the compensation they are entitled to and at what costs?" builds on the complaints received by the ECC-Net.
- ECC Ireland is part of the European Consumer Centres Network (ECC-Net), which covers 30 countries (all EU countries plus Norway and Iceland), and offers a free and confidential information and advice service to the public on their rights as consumers, assisting consumers with cross-border disputes. ECC Ireland is co-financed by the European Commission and the Competition and Consumer Protection Commission.
- For further information on ECC Ireland, case studies, and other statistics read the <u>Annual Report 2014</u> which is available on <u>www.eccireland.ie</u>.

Further documents:

- Checklist on your rights in relation to delayed or cancelled flights, what to do when using private claims companies, and advice for passengers with reduced mobility.
- ECC-Net Air Passenger Rights report 2015.
- Infographic of the report.

¹ See attached report regarding ECC-Net statistics and further information.