



The Consumer and Brexit – Travel

UK consumer spending on travel to EU countries – still the primary destination for most UK travellers – is £35bn before they even leave the UK. Their spending in the numero uno destination Spain is £6bn. That's something to think about as you wait in a 4 hour queue at Palma airport – a not so gentle reminder that we are not in the Schengen zone. What other rude new shocks await the UK traveller in the EU post-Brexit?

After all we spend a lot of our money on holidays - 6.3% of total household expenditure was spent on holidays (£2047 per year) in 2014.

The Questions to be Answered

The issues on the table at a recent meeting convened by Which? to discuss travel issues for consumers living in the UK were:-

- What are the main opportunities and risks for UK consumers?
- What considerations should be made regarding access, choices and prices for consumers in relation to travel and holidays?
- What passenger rights and protections will need to be maintained? to? In what areas could there be opportunities to improve consumer rights, protections or wider experience in this sector?
- What are the priority issues for the key stages of the negotiations - from the initial exit and future relationship discussions, EU and wider trade agreements, through to the Great Repeal Bill and beyond?
- What opportunities are there to work together in order to ensure the best outcome from Brexit?



The Issues that Emerged

The consumer issues were identified as

- keep visa free travel
- ensure continued access to low cost or free medical care
- keep the recently introduced low mobile roaming charges
- provide effective and accessible means of cross-border redress in the event of service failure and continued access to the level of protection and redress as set out in EU Regulation 261/2004.

Other important issues exist for suppliers who like everyone else need clarity and they want to know how things are going to work, no later than by April 2018. For example airlines offer tickets some 12 months in advance and these tickets are issued on the basis that a 'right to fly' the route is in place. If it is not then the ticket has to be sold on a provisional basis 'subject to government approval'. Michael O'Leary has announced that without a clear outcome there could be a period of time after March 2019 when Ryanair would not fly from the UK. There are no World Trade Organisation arrangements to fall back on. On a more reasoned basis, Easyjet has announced that it will get a new air operators' certificate by setting up a new airline in Austria at a cost of £10m leaving aside what a Brexit-affected low pound has already done to revenues. (No redundancies amongst UK staff would arise from such a move, Easyjet promises).

Another potential market development may restrict consumer choices of airport. Many smaller UK regional airports depend heavily on the new patterns of flying between regional European airports as pioneered by Ryanair and Easyjet. If this is curtailed, then airports may no longer be viable both here and on mainland Europe. (Freight is also important but not considered here).

The role of the Civil Aviation Authority will have to expand to cover safety and registration of all the UK civil aviation fleet.

The Issues for NCF

The lines taken by Which? on the above priority issues echo NCF thinking – what can we add?. We think that NCF should take the lead in two areas. First - the choice of regional airports – an echo of its local group past in some ways but also the present thinking of active consumers in the West Country.



Redress is important also and NCF will oppose any restriction on access to cross-border redress as offered currently and indeed would press for improvements in the scheme such as a greater measure of compulsion when it comes to trader membership of the schemes. We would also press for more support from Online Dispute Resolution digital/ electronic products to facilitate the resolution of disputes. There is an EU-wide ODR platform and any restriction of access by UK consumers would be opposed by NCF.

Schemes like the Pet Passport may seem a detail in the great international renegotiation but we need to understand how important any change in that scheme would be to this nation of pet owners who have grown used to taking the hound on holiday. We would want guarantees that the post Brexit UK would be on the list of countries eg Switzerland where the current arrangement would stand.

The Civil Aviation Authority in the absence of a Travel Ombudsman will have a heightened role here in the enforcement of standards and the settlement of complaints as well as being a UK voice in any EU ADR/ODR scheme. The quality of 3rd party dispute resolution companies needs to be assured and measured. This may represent the best way into the system for NCF. We need a dialogue with the CAA to discover how it sees its future role and what ADR/ODR will look like post-Brexit. Will the CAA be a complaint handler or will it subcontract that role to a 3rd party dispute resolution entity? What sort of relationship will it have with consumer bodies both here and in the UK?

Conclusion

Travel is an area of great importance for UK consumers – they spend a lot of money travelling to EU countries and any increase in the hassle factor – no visa needed, security, passport controls/queues etc – en route would be a great cause of dissatisfaction. Once there, the importance of the benefits conferred by the EHIC card would be important. On return, cross-border redress might have to be invoked. The UK has a good record eg ATOL and travel Codes of Practice in consumer protection for travellers and we would not want any reduction in the scope and efficacy of current arrangements. The area most at risk might be the loss of health benefits and non-participation in the pan-EU ADR/ODR schemes. The best way in for NCF is redress and a relationship with the CAA.

NCF

August 2017

Registered Office: 5 Prisma Park, Berrington Way, Basingstoke, RG24 8GT
Company Number: 04276357 (limited by guarantee) Charity Number: 1101414
Registered in England
e-mail: arnold@mantissa.net