



## **Airline Insolvency recommendations could unnecessarily charge consumers**

**09 May 2019** – In response to the independent Airline Insolvency Review final report published today, The Board of Airline Representatives in the UK (BAR UK) maintains concerns about the assessment of risk and proportionality of potential costs to consumers from what has been an admittedly complex review.

Dale Keller, chief executive of BAR UK said “We believe that the risk assessments of a major airline insolvency, of the scale likely to trigger Government intervention on assisting passengers home to the UK, remain overstated within the report. The European Commission estimates that between 2011 and 2020, only 0.07% of all passengers across Europe could be affected by airline bankruptcy, and of them, only 12% would require organised assistance in getting home. The recent failure of WOW Air required no financial intervention from the UK regulator, the CAA, and 13 airlines offered rescue fares to WOW Air passengers under an industry voluntary agreement.

“Whilst we fully support a package of measures to enhance procedures and improve consumer awareness of the protection available to them, we do not support a passenger levy to build a fund since the vast majority of consumers who contribute in higher airfares would never receive any benefit. The real costs of collecting and administering the proposed 50 pence per passenger are likely to be significantly greater and the Airline Insolvency Report does not go into the complexity of how such a levy should be collected only on UK originating return journeys, or how the fund would be administered.

“We look forward to responding in detail to the report recommendations within the Government’s 2050 Aviation Strategy.”

- Ends -

### **Notes to Editors**

The Board of Airline Representatives in the UK (BAR UK) presents the widest international voice of the airline industry; representing 70 scheduled airlines in the UK in their engagement with government, government departments, regulators and airport operators.

Full details can be found on [www.bar-uk.org](http://www.bar-uk.org)

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