

CAA Review of Issues Affecting Passengers' Access to UK Airports

What this paper is about

The paper gives details of the review conducted by the CAA in 2016 on issues affecting passengers' access to airports, its conclusions and the CAA's advice to airports.

Points for discussion

- Delegates are asked to report on how their airports are taking on board the advice and recommendations of the CAA.
- Are there any matters that need to be brought to the attention of the CAA?
- Are there areas of best practice that can be promoted to guide other airports?

Points for possible action

Dependent on the discussion and feedback given at the meeting.

Background

1. At last year's Annual Meeting delegates discussed the review being conducted by the CAA into issues affecting passengers' access to airports¹. The review focused on parking and other road-based transport options for passengers travelling to UK airports, including bus and taxi access to airport forecourts. Delegates shared issues which had been raised by individual ACCs about public transport versus car parking; information about onward travel options; car parking and taxis and minicabs. Delegates gave feedback on how these matters were addressed at their airports. Some ACCs were of the view that airports needed to provide more information to passengers about the range of choices on offer and in terms of improving public transport links to airports. UKACCs noted that finance was often the governing factor and involved a number of parties.

2. The CAA published the outcome of its review on 20 December, 2016 and at the same time wrote to airport operators reminding them of the need to review their commercial agreements to ensure they comply with consumer and competition law. This paper gives details of the CAA's findings and its advice to airport operators. Delegates are asked to report on how their ACC is monitoring their airport's implementation of the CAA's recommendations.

The Review

3. The CAA's review of market conditions for surface access to UK airports was undertaken to better understand how the sector was operating and how that affected consumers, focusing primarily on road-based access to airports, including transport-providers' access to the airport forecourt. The review report "Review of market conditions for surface access at UK airports – Final report (CAP 1473)"² summarised the responses received to the CAA's consultation and set out the CAA's conclusions.

4. The Review found that the market usually gave consumers the choice from a range of different providers - including, for example, parking facilities provided on-site by the airport operators themselves as well as independent suppliers. However, the level of choice available to consumers varied from one airport to another as passengers travelling to and from large urban airports generally benefited from greater choice compared with those using smaller airports or airports with poorer transport links.

5. In addition, the review identified a number of areas regarding business practices that may have the potential to infringe the competition law prohibitions against anti-competitive agreements and abuse of dominance and/or certain aspects of consumer law.

6. The CAA therefore wrote to airport operators setting out some concerns identified by the review and published its advisory letter³ on the CAA's website. The UKACCs Secretariat circulated details of the review's outcome to all member ACCs. The letter reminded airport operators of the need to ensure compliance with competition law - or risk facing enforcement action if they were found to be in breach of these rules. The CAA also reminded airport operators and surface access operators about their obligations under consumer law and in particular the importance of their customer communications giving people clear and useful information so they can make informed purchases that were suitable for their needs. As part of this the CAA recommended that each airport operator develop a set of principles on how they approach providing access to their surface access facilities that reflected competition and consumer law.

7. Delegates should be aware that in a separate competition law-related matter, the CAA had completed an investigation into a commercial agreement between East Midlands International Airport (EMIA) and an independent parking operator, Prestige Parking Ltd which found that EMIA and Prestige agreed that Prestige should not sell its car parking services at the airport at below a minimum price, which

¹ CAP 1364 - Consultation on issues affecting passengers' access to UK airports: A review of surface access at UK airports - <http://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=7186>

² Review Final Report <http://publicapps.caa.co.uk/docs/33/CAP%201473%20DEC16.pdf>

³ CAA's Advisory Letter <http://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=7701>

was linked to the price of EMIA's own car parking services. This included an agreement between the two parties to fix parking prices, which breached competition law. As EMIA, owned by the Manchester Airports Group (MAG), had proactively disclosed details of the agreement under the Competition and Market Authority's (CMA) leniency programme before the CAA investigation began and had confessed to participation in the illegal agreement and co-operated throughout the investigation, avoided a potential fine of almost £12.5 million under the terms of the CMA's policy on leniency. Following the investigation, MAG agreed to set up a programme to ensure ongoing compliance with competition law within its business and among staff.

8. MAG also agreed to review existing concession contracts that EMIA had entered into, to ensure that it did not break the law on anti-competitive agreements. This case clearly demonstrates the need for airports to continuously review their agreements, practices and conduct to ensure compliance with competition law.

Specific Recommendations and Guidance

9. The Review's Final Report put forward a number of recommendations and guidance for best practice as follows:

- Each airport operator develop a set of principles on how they approach providing access to their surface access facilities that reflects competition and consumer law.
- Airport and surface access operators should ensure that their practices comply with the Consumer Protection Regulations.
- Online distributors and surface access providers (including airport operators) should make sure they learn the lessons of competition investigations in similar sectors of the economy and review their practices and contractual arrangements.
- It would be helpful to consumers if all reputable options to get to and from the airport were available from the airport operator's website, irrespectively of whether the airport operator has a commercial incentive for passengers to use that particular option or not. Airport operators may require that such surface access operators meet certain quality criteria or be certified in a certain way, in order to avoid the risk of passengers using untrustworthy operators.
- Airport operators consider a form of accreditation for independent parking operators, similar to that offered by Gatwick Airport which allows for increased competition in the provision of car-parking services while reducing the risk of passengers experiencing a poor service. It also allows airport operators to deal with reputational damage from off-site parking providers which operate without planning permission or which provide an inadequate service in terms of, for example, security.
- Access to the forecourt by car is especially important for disabled people and those with reduced mobility. Airport operators has been asked to review:
 - how they take into account the needs of disabled people and those with reduced mobility in relation to access to the forecourt by car and whether any further adjustments could be made;
 - the level of any applicable charges that this group of consumers are required to pay, whether there are any restrictions in place and whether these are reasonable, and the level of any penalty charges for overstaying; and
 - the information published on websites in relation to this issue and in relation to car-parking and surface access more generally.

10. The UKACCs Secretariat circulated the outcome of the review all member ACCs in January 2017 suggesting that ACCs review the outcome of the CAA's review in respect of their airport's activities. Delegates are therefore asked to report on how their airports are taking on board the advice and recommendations of the CAA and whether there are any matters that need to be brought to the attention of the CAA.

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