

## **Revision of the Air Services Regulation Impact Assessment – Call for evidence**

## **EPF response – June 2025**

## Priority topic #1: Price transparency

As stated in its preamble, one of the objectives of the Air Services Regulation is to allow consumers to **effectively compare prices** among different providers and to ensure **non-discriminatory access to air fares** – an objective that EPF fully supports. EPF urges the Commission to modify the present Regulation as follows, to safeguard and enhance price competition and price transparency to the benefit of European passengers.

1. Specific provisions are needed with regard to ancillary services. Airlines increasingly unbundle their products and charge extra for ancillary services such as luggage or seat reservation. Add-on fees vary greatly across airlines and are often not included in the final price shown at the beginning of the booking process, which makes effective comparison very difficult. The Regulation should therefore clearly define 'minimum services', that are always included in the basic price, and 'ancillary services', the price of which should be clearly indicated next to the final price at the start of the booking process. In addition, common standards for size and weight of different types of baggage are needed.

2. Fares and (core) ancillary service fees should be available on all distribution channels. Air carriers do not always share price information on ancillary services with travel intermediaries. As a result, passengers are not able to effectively compare offers across carriers on a like-for-like basis. Carriers should therefore be obliged to make available the basic air fare and the price for at least the most important 'ancillary services' to third party sites (indirect distribution channels but also online comparison tools that do not offer ticketing options), in order to provide passengers with the comprehensive, transparent and comparable information they need to make an informed choice.

<u>3. Right to reimbursement in case of cancellation by the passenger needs to be clarified.</u> Carriers, and distributors, should be obliged to inform passengers of their right to reimbursement in case of self-cancellation/ no-show, to specify which price elements are reimbursable in such cases, and to introduce, where possible, automatic reimbursement of the relevant parts of the ticket price.

<u>4. Non-discrimination in access to fares and rates should be guaranteed.</u> Carriers and other distributors should be obliged to disclose clearly what criteria and preferences a personalised or dynamic pricing mechanism is based on, and to offer the passenger the option to turn off this functionality. Furthermore, the Regulation should introduce specific provisions regarding accessibility of information for people with functional limitations.

<u>5. More effective enforcement and consumer redress options are necessary.</u> The Regulation should define adequate monitoring actions and effective, truly dissuasive sanction mechanisms, and extend the competency of NEBs responsible for passenger rights to handle also price transparency issues. Passengers' options to obtain individual redress in the case of complaints, e.g. the right to terminate the contract, compensation for damages, alternative dispute resolution, collective redress, must also be clarified.

<u>Note:</u> From a broader perspective, it is important to ensure comparability not only between different air service providers, but also across transport modes. The case for multimodal information is greater consumer choice, more transparency, decarbonisation and modal shift. EPF supports the inclusion of all modes, also air, in the scope of future regulation on Multimodal Digital Mobility Services (see our position paper <u>here</u>).

## Priority topic #2: Better passenger protection

In addition to price transparency, we expect the revision of the Air Services Regulation to also address two important problem areas, announced within the '**Better Protection for Passengers and their Rights'** initiative.

<u>1. Protection for air passengers against the risk of a liquidity crisis or an insolvency.</u> Currently, passengers are not effectively protected (except in the case of package travels) when their chosen airline goes bankrupt or faces a liquidity crisis. Firstly, they might not be reimbursed for their ticket; and secondly, they might be stranded abroad and have difficulties to be repatriated. Airline insolvency is not an uncommon issue. And while some insolvency protection schemes already exist, these offer only partial protection (e.g., covering only refund of the ticket and not repatriation, or vice versa) and are not available to all passengers in a non-discriminatory way. Hence, merely informing passengers about such options will not be sufficient to remedy the situation. This is why EPF calls for:

- a mandatory insolvency protection mechanism/ guarantee scheme in the airline sector, covering: refunds of tickets pre-paid by passengers; vouchers accepted by passengers as an alternative to cash refunds; repatriation costs for passengers stranded abroad (in case of insolvency, but also other situations of liquidity crises);
- the mandatory designation of a public authority to coordinate repatriation efforts in each Member State, including through liaison with counterparts and airlines, negotiation of rescue fares and provision of information to affected passengers through its website and possibly other channels.

The above measures would align passenger rights under the Package Travel Directive and the Air Passenger Rights' Regulation. Finally, it is important to stress the importance for passengers, in addition to the financial aspects, of receiving immediate and practical assistance in time of need. The national authorities mentioned should play a coordinating role, in case of an airline's insolvency, but also in other situations of (mass) disruptions.

<u>2. Right to self-cancellation by air passengers in the event of a major crisis.</u> Currently, air passengers have no right to reimbursement of the ticket price in case they cancel their ticket themselves due to a major crisis at the place of departure or destination, causing them to be unable to travel (e.g., a global health crisis, terrorist attack or natural disaster, which can be considered as 'force majeure'). For EPF, passengers who booked a standalone flight should enjoy the same rights as passengers who booked a flight as part of a Package Travel, i.e. they should have the right to cancel their tickets:

- In case of a major crisis, without having to pay a fee;
- For any other reasons, whereby an appropriate and justifiable termination fee could apply (it should be clear at the time of booking how much).

Under 'major crisis' should be understood any unavoidable and extraordinary circumstances, either at the place of departure and/ or at the place of destination or its vicinity, significantly affecting passengers' travel plans. In particular, the legal value of official travel warnings (discouraging or even prohibiting citizens to travel) should be clarified, and such should be considered as sufficient evidence to have the right to self-cancellation without having to pay a termination fee.