

Business, Energy and Industrial Strategy Committee

Oral evidence: Flight cancellations and compensation, HC 370

Tuesday 14 June 2022

Ordered by the House of Commons to be published on 14 June 2022.

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Members present: Darren Jones (Chair); Tonia Antoniazzi; Richard Fuller; Paul Howell; Mark Jenkinson; Charlotte Nichols; Mark Pawsey; Alexander Stafford.

Transport Committee member also present: Ruth Cadbury.

Questions 43 - 119

Witnesses

[III](#): Lisa Tremble, Chief Corporate Affairs and Sustainability Director, British Airways; Sophie Dekkers, Chief Commercial Officer, easyJet; David Burling, CEO Markets and Airlines, TUI.



Examination of witnesses

Witnesses: Lisa Tremble, Sophie Dekkers and David Burling.

Q43 **Chair:** Moving on to the third panel, welcome to David Burling, who is the CEO for markets and airlines from TUI; Sophie Dekkers, the chief commercial officer from easyJet; and Lisa Tremble, the chief corporate affairs director from British Airways.

This is our CEO panel. Just for the public record, David Burling, CEO for markets and airlines from TUI, we are glad to have you with us this morning. The CEO of easyJet is unwell, and so we are delighted to welcome Sophie Dekkers in his place. The CEO of British Airways, unfortunately, could not find the time to be with us this morning, but, through correspondence last night, he is going to come and see us in a couple of weeks, so we are delighted to welcome Lisa Tremble. We will invite the CEO of easyJet to come at this later opportunity alongside the CEO of British Airways in a couple of weeks as well.

Lisa Tremble, can I come to you first, please? We have been hearing about the labour shortage issues and that British Airways has by far had the most cancellations per day of any airline at the moment. You sacked 10,000 workers, aggressively using the fire and rehire tactic. Is it not your own fault?

Lisa Tremble: You have heard a lot from the panel today about the complicated process that all airlines have been through over the last two years. If I take a step back and look at the context in which those decisions were taken by the management committee at the time, British Airways was basically losing £20 million a day. The schedule around that time was 5% of 2019 levels. There was no vaccine in sight, and there was not certainty of the furlough programme being extended. Actually, the furlough scheme itself only covered 10% of the 2019 employee bill that we had to pay.

The airline itself was in a very precarious situation, and the actions taken were to secure the future of the airline and save as many jobs as possible. That was the context in which those decisions were taken.

Q44 **Chair:** We heard that Ryanair negotiated an agreement with the unions not to sack anybody and that it is absolutely fine at the moment, bar the odd flight cancellation. British Airways sacked the most people, 10,000, again, using aggressive fire and rehire tactics, and you are having the worst time. Are you saying there is not a connection between the two?

Lisa Tremble: I am not saying there is not a connection. I am saying that it was a very difficult period.

Q45 **Chair:** Do you regret sacking so many of your staff?

Lisa Tremble: It was a very difficult period for the airline to go through. When you are looking in the face of £20 million a day losses, no end to



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restrictions in sight, no certainty over the future of the furlough scheme and, at the time, no indication as to when there would be a vaccine—

- Q46 **Chair:** I am sorry to interrupt you, Lisa, but it was the same answer as before. I understand the position. What I am trying to understand is why different airlines are having a better time than others, and we have been told that it is predominantly about labour shortages. I want to understand whether you as the representative of British Airways think you are having the worst experience because you sacked the most staff using very aggressive tactics. Do you think that is true or not?

Lisa Tremble: The company behaved in the most responsible way possible, with the information it had, in this financial situation it faced at the time.

- Q47 **Chair:** Do you think there was a connection between sacking 10,000 staff and now cancelling 114 flights a day?

Lisa Tremble: We are now trying to recruit about 6,000 people.

- Q48 **Chair:** Could you answer my question, Lisa? Do you think there was a connection between sacking 10,000 members of your staff, using aggressive fire and rehire tactics, and now cancelling the most flights per day? Was there a connection between those two events—yes or no?

Lisa Tremble: It is very complicated, is it not, because we rightsized the business at the time? If the pandemic had come to an end quicker than what we had expected then perhaps the situation would have been different. Faced with the decisions and financial losses, the company had to protect as many jobs as possible.

- Q49 **Chair:** You do not think there was a connection. You think it was all due to Covid. There is no connection between sacking 10,000 staff and now not having enough staff to fly all your planes.

Lisa Tremble: Basically, when you are facing into being a loss-making company with no end to anything in sight, you have to take some decisions on the basis of securing as many jobs as possible and the future of the company.

Ruth Cadbury: Can I ask the question in a different way?

Chair: You can try.

- Q50 **Ruth Cadbury:** Ryanair faced exactly the same challenges as BA, so why did Ryanair not suffer the same problems of cancellations as BA has done? Why is BA's challenge any different from Ryanair's?

Lisa Tremble: We have all had very similar challenges, and, as everyone has pointed out, different approaches were taken by different companies at the time depending on the financial viability of running the operation. At BA, we have 268 aeroplanes. We fly to 65 different countries. We have a very extensive network and, basically, in 2020, we were flying 5% of our schedule. We did access the furlough scheme, and that covered just



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10% of our 2019 employee bill, so we were in a very difficult situation at that time. The decisions were taken in order to protect as many jobs as possible.

During the last two years, the pandemic has continued. Aviation was the first to go in and the last to come out. If it is okay, I would like to touch on the question about cancellations.

Q51 **Chair:** I am afraid we do not have time, Lisa. I am sorry. We only have about 45 minutes. We have asked you a very direct question three times, and you have chosen not to answer it. I am going to give you one last opportunity. Do you think sacking 10,000 staff has had a direct consequence of you having labour shortages and not being able to fly your planes today?

Lisa Tremble: The company took a responsible decision at the time.

Q52 **Chair:** Okay, so you are not willing to answer the question. I will move on to easyJet, please, and Sophie Dekkers. I understand that you also made about 5,000 staff redundant. In the league table given to us by Simon Calder this morning, easyJet was the second-worst airline, with around 55 flights being cancelled per day. Do you think there was a connection between the number of staff you sacked and your ability to fly planes today?

Sophie Dekkers: I would like to start with a correction as well as welcoming the opportunity to talk to you today, so thank you for that, and also an apology because we have not got it right and we need to get it right. I would like to have that on the record.

In terms of the correction, we made around 2,000 staff redundant. Of those, 1,400 were UK staff, and the rest were in Europe. Of those, around 20% were management and admin staff. We did not make any pilots redundant. It was cabin crew of the 1,100 that is the net number in the UK. We do have a ramp-down in the winter anyway, and, even pre-pandemic, we would operate on a seasonal basis, so we would be recruiting for the summer anyway.

Yes, I would say that number of crew is higher than it would be in the normal circumstances, but that is quite normal, so we are talking about 1,100 crew and 300 office staff that were voluntary redundancies. We did not have to do any forced redundancies. Everyone we are bringing back on, we are bringing back on the contracts they were on previously.

In terms of pilots, we offered them part-time contracts rather than redundancy. Interestingly, now, we have offered all those pilots to come back full-time, but we have given them the option, and around 75% have said they want to come back full-time, and 25% said, "Actually, we quite like this new lifestyle. We would like to stay part-time", which, for us, works in terms of seasonality and the amount of flying in the summer and the winter.



The key challenge, to answer your question, is around the recruitment process and the ID checking, which has already been touched on this morning. We started ramping up the recruitment for this summer. What has taken longer is the ID processing. The key part of that is that it is taking around 14 weeks now to get crew ID passes. It was around 10 weeks pre-pandemic in a normal year. The complexity is you need the last five years' worth of referencing, and, as we know, lots of people have taken other roles but multiple roles. The way that we have to work at the moment is through the individual we are recruiting; we have to get them to get all those references. In many cases, people have had 10 jobs in the last couple of years; maybe some of them were only for a couple of weeks, but we are required to get a reference from each of those.

That is what is taking the length of time. We have today, as per this morning's numbers, 142 crew ready and trained to go online that do not have their ID passes. We had planned for this summer. We had planned for the ramp-up. The ID processing has caught us by surprise and has taken longer than we had ever planned or anticipated. If we look at historical timings, it is out of kilter with where we have been historically. That is one of the compounding factors that is facing us today.

Q53 Chair: David Burling, from a TUI perspective, clearly the job of an airline is to match a customer with a seat and to fly them to their destination on the day they want to be flown to that destination. TUI has been coming in as an airline having difficulties not on the same scale as British Airways and easyJet. Is it the same problems for you, or another problem?

David Burling: We are different from the other airlines mentioned because we had a real concentrated problem in the first week of the May half-term holiday. We are also different because, as you say, we are a holiday company. We have 67 aircraft in the UK. We do not do overbookings. We always bring customers back from their destinations, so the stories you hear about people being stranded without flights and hotels does not apply to TUI, and we also very rarely cancel outbound flights. We have been whole years without cancelling an outbound flight for operational reasons, so this is almost a unique situation for TUI.

We have never cancelled a flight for baggage-handling issues before. However, as we went through May, it was very clear that, even though our capacity was the same as how we operated in 2019, a number of different things in the overall ecosystem, whether that is security queues, loading bags on planes, delivering food and drink or even fuel to the aircraft, were not all operating as well as they would be in a normal year. All that brought stress into the system.

As we went into the first weekend of the bank holiday, we then faced a very severe weather problem in one of our destinations, in Crete, so a lot of aircraft were stranded. Then, when we went to look for alternative aircraft in the third-party market, we found it was the Champions League final and most spare aircraft in Europe were being used for that. On top of that, that weekend we had very high load factors. Our flights were



almost completely full. That combination of things caused the system to melt down, and it struggled really in one particular area, the worst point, which was the baggage loading, particularly in Manchester Airport, which is where our provider, Swissport, struggled to cope.

After that, we had to cancel 32 flights at the last minute. The service we offered to customers was unacceptable by our standards. We are incredibly sorry, and we apologise for that. As Simon said earlier, we went straight out texting customers with what compensation they were entitled to, and we went over and above what we offer customers and, in some cases, offered up to £400 per person extra in terms of vouchers.

We know that does not make up for a lost holiday, so the very next day our emphasis was on making sure this does not repeat. We realised Manchester was the problem, with the baggage issue in particular, and we created a firebreak in our programme by cancelling 43 flights a week in Manchester through June to make sure that the system could stabilise again and we could cope.

We have also realised that we need to take other measures in order to build more resilience into the system where we had more control, so we have contracted extra aircraft and cabin crew, which gives us more resilience. We have extra spares in the business, so, if there is a technical issue, we can correct it more quickly. We have extra customer service people, both in our head office and, particularly, in the airports, because that weekend we did not have enough customer service people in the airports.

As Sophie said, those customer service people we are now getting in the airports are currently in the security clearance system. We did not make any pilots or cabin crew redundant during the pandemic, but we still had to recruit 1,400 cabin crew, and some of those are still in the security clearance process. That will be solved by the end of this month, but we are still in that process now.

Q54 Tonia Antoniazzi: Are the staff who have left the industry during the pandemic seeking re-employment? You said you did not let any staff go. Sophie, you did not have very many. I would ask that question to Lisa.

Lisa Tremble: What we did during the process of consultation with our unions was make sure that we created a pool of people who could come back to the business when it recovered. When we went out to recruit at the beginning of October last year, we went first to the group of people who had already worked for British Airways to invite them to come back. I am pleased to say that some of those people did.

Everyone has touched on this issue. There is a wider issue in attraction into the industry, not least because it has been very uncertain over the last couple of years. People have realised that the travel industry is going to take some time to recover. There is absolutely no doubt about that. We are in that period now where we need to rebuild. I feel optimistic



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about the future because, to date, we have had 42,000 applicants to work at British Airways. We have 2,000 people now operational in the business, and we have 3,000 people in the referencing process that my colleagues have touched upon. We are working through those numbers as quickly as we can. It has taken us between 70 and 140 days to get people through that process, hence the delays.

Yes, some people have come back into the industry, but there are some areas of the business, for example below-wing and baggage-handling, where everyone is experiencing that it is a much more difficult market to attract people into.

Q55 Tonia Antoniazzi: How are you going to make your employment practices at British Airways better? Why would I want to come and work for you?

Lisa Tremble: It is a great question because a lot has been written about fire and rehire. The Chair asked me questions about that at the beginning. We completely want our people to feel like they are part of rebuilding this airline, and we completely accept that what has happened over the last two years has put us in a position where we need to build that relationship of trust with our unions and our people, but we are absolutely determined to do that.

One example of this is that this year we offered our people a 10% pay award, of which 5% was paid in March with the further 3% and 2% paid in September and December. 90% of our people accepted that pay award, and we have committed to having constructive talks with the unions and our people about the pay deal for 2023. When you have been through a very traumatic period like we have, for both our people and our customers, it takes time to rebuild the trust and those relationships, but that does get us out of bed every day. That is what we want to do and that is what we are determined to do, but it will take some time.

Q56 Tonia Antoniazzi: Is there a dynamism in British Airways that you want to drive this forward and be better?

Lisa Tremble: Yes, absolutely. We definitely want to be better. No one wants to let customers down, least of all us. We want to provide the best possible service, and we want to be the best of British. We are all absolutely galvanised behind making everything at British Airways better. To be frank, we know we have a lot of work to do, but our people need to be right at the centre of the recovery of this business. We accept that, in the past, mistrust has built up, and we need to fix that moving forwards and have a better dialogue with them.

Q57 Tonia Antoniazzi: The security clearances need to be quicker and addressed. You are saying there are enough pilots out there. Are there enough trained pilots out there for the need?

Lisa Tremble: On the pilot front, we are experiencing issues on the pilot front. It is mainly that cabin crew and below wing in particular are



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difficult markets to recruit into. I go back to the point that what gives me absolute optimism is the number of people that have applied to re-join the aviation sector. That is some positive news to take out.

Q58 Tonia Antoniazzi: What problems are you anticipating in the next few months?

Lisa Tremble: In terms of our strategy, which Simon touched on earlier, by early May we had looked ahead throughout the summer. We took the proactive decision to take out 10% of our schedule. To put that into context, that is about 16,500 flights, and that works out around 80 per day. We took that decision because we were able to reaccommodate 80% to 85% of our passengers. By looking ahead and matching the resource to the schedule, taking into account all the other supply chain issues that we were having, we were able to take that capacity out because the last thing that we want to do is to let down the customer on the day. That is the worst situation for us to be in.

I know the Committee was particularly interested in May half-term, which is just gone. We flew, between 28 May and 5 June, just under 6,000 flights, and we took 23 on-the-day cancellations. Those were because of weather and air traffic control, and we did experience high levels of staff sickness. Our huge apologies go to those customers that were impacted by that. It is not where we want to be, and we want to make sure that we make our schedule as resilient as possible moving forwards.

Q59 Mark Pawsey: We have three airlines in front of us who have told us about having to cancel lots of flights and how desperately sorry they are for all the travellers who have been affected by that. We heard in our very first session from Sue Davies and Simon Calder that the airlines have made information about compensation packages deliberately obscure and that they have gone out of their way not to make it easy for passengers to get the compensation to which they are entitled. Sophie Dekkers, is that a fair charge?

Sophie Dekkers: I am more than happy to share the customer communications that go to our customers with the Committee so you can see it yourselves.

Q60 Mark Pawsey: Simon Calder and Sue Davies are giving us an inaccurate picture.

Sophie Dekkers: Where we are today is much better than where we were at the very beginning of the pandemic.

Q61 Mark Pawsey: Are they giving us an inaccurate picture?

Sophie Dekkers: I would argue that, yes, they are.

Q62 Mark Pawsey: David, are they giving us an inaccurate picture?

David Burling: You heard Simon talk about TUI and that TUI in particular was very clear in its process.



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Q63 **Mark Pawsey:** Lisa, were they giving us an inaccurate picture?

Lisa Tremble: We have improved the communication, as Sophie said, over the last six to nine months to make sure that customers know what they are entitled to.

Q64 **Mark Pawsey:** Chair, we have three airlines here who are paragons of virtue and it is all the other guys who are the bad guys. Is that what you are telling us?

Lisa Tremble: No. I cannot speak on everyone's behalf.

Q65 **Mark Pawsey:** What are you going to do to make it easier for British Airways customers to get the compensation to which they are entitled? What positive steps, Lisa, can you tell us about right now?

Lisa Tremble: Yes. Basically, we will send the customer communications to you. We flag that in our customer communications.

Q66 **Mark Pawsey:** You have big, long, complicated terms and conditions. Simon was very critical of your terms and conditions. Are you amending your terms and conditions?

Lisa Tremble: We have basically changed our customer communication so it is very—

Q67 **Mark Pawsey:** Are you changing your terms and conditions?

Lisa Tremble: The terms and conditions are about what people are entitled to, and I can tell you that the customer comms make it clear that people are entitled to EU261 compensation. We have a page on our website that is very clear about how people apply for that.

Q68 **Mark Pawsey:** You are saying it is a doddle. If I have a cancelled flight, I can go straight to your website and, very easily, find out exactly what I am entitled to and it is a really easy process. Is that what you are saying?

Lisa Tremble: For the majority of people, it should be a seamless process.

Q69 **Mark Pawsey:** How quickly would I get my compensation from BA?

Lisa Tremble: Basically, for a refund of your flight, that should be done within seven days. We aim to do the EU261 compensation within 14 days. Sometimes it does take slightly longer.

Q70 **Mark Pawsey:** There is no extension. It is never going to be more than a few days and then 14 days for people to get their compensation.

Lisa Tremble: I would say, for the majority of straightforward bookings, it can happen very quickly and it is straightforward. For some of the more complicated bookings where there are multiple legs or people have used Avios points, it takes us about 30 days to do that.



Q71 **Mark Pawsey:** What is your time, Sophie?

Sophie Dekkers: The customers receive the email, which, again, I am happy to share with the Committee. It says, "You are entitled to rebook your flight. Here is a link to do that. You are entitled to a refund. Here are the three clicks it takes to get your refund. You are entitled to a voucher if you prefer. Here are your rights for additional compensation", so we are very explicit about what we can do. I would admit that, at the very beginning, we may not have been as explicit as we are now.

In terms of processing times, as of today, we are processing refunds between one and four days. We are processing EU261 compensation within seven days and expenses within nine days. Expenses are slightly longer because you have receipts and so on to go through, but the maximum for any of those processes is nine days for expenses, seven days for EU261 and up to four days—on average between one and four days—for refunds. We have extended our contact centre times from what was 8 am to 8 pm to 7 am to 11 pm, so that we can make sure that customers get their money as quickly as possible.

Q72 **Mark Pawsey:** David, you told us in your evidence that you were giving an extra £400 in vouchers to people who had gone through this disaster at Manchester. Are you the good guys here?

David Burling: As Simon said earlier, we are very clear in our communication. We send text messages out to people making it very clear what they are entitled to in terms of the refund and the EU261 compensation. We provide a link to the EU261, and we have been giving compensation over and above.

Mark Pawsey: Thank you for that. Chair, we have put out a call for evidence to the general public, so it would be very interesting to compare what the public are telling us with the evidence that our three witnesses have just given us.

Q73 **Ruth Cadbury:** There was one other point, which is about being booked on to the best available flight. Do all of you do that, even if that flight is operated by a different carrier with which you do not have a commercial relationship?

David Burling: Ours is slightly different because we are a package holiday, so we offer people an alternative flight or an alternative holiday, so quite often they will change destination.

Q74 **Ruth Cadbury:** If they want to take the holiday, the hotel at the destination, and you do not have a flight but another carrier has a flight to that destination, will you provide that to the passengers?

David Burling: We provide an alternative flight on TUI or we offer a full refund, so we have a range of options that give customers complete flexibility.

Q75 **Ruth Cadbury:** That family cannot take their holiday, say, on an island



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in Greece even if they are with your hotel. You are not prepared to put them on an easyJet flight or whatever.

David Burling: The contract is a package holiday, so we, effectively, cancel the package holiday and start again in recreating it.

Sophie Dekkers: We offer people the opportunity to rebook with us immediately. That is better than offering an immediate refund. If you imagine the original price they might have paid is £50. To rebook for a flight tomorrow would cost more than that, so—

Q76 **Ruth Cadbury:** It depends on the reason for their flying and whether cost is more important or whether—

Sophie Dekkers: Yes. We offer them the refund option anyway, so they have the choice to refund or rebook.

Q77 **Ruth Cadbury:** They have to book the alternative flight themselves.

Sophie Dekkers: We will rebook them if it is an easyJet flight because we have the systems and ability to do that. That link in the email links through and says, "You are able to rebook with another carrier, and we will refund that". That is very explicit in the terms that we have that link through to that. We do not have the booking systems to book though with other airlines. We all sit on different booking systems, but we will absolutely honour our duties to refund customers if—

Q78 **Ruth Cadbury:** Is that even if they are on holiday and returning home?

Sophie Dekkers: Yes. It is regardless of whether they are on outbound or return. We treat every customer on a single-leg journey as a single-leg journey.

Lisa Tremble: It is a similar situation. We offer an immediate refund. We offer to rebook within appropriate timescales. For example, 80% to 85% of our cancellations could fly within 24 hours, either on our aeroplane or with a different carrier. We also offer vouchers.

Q79 **Ruth Cadbury:** Is that all carriers or only carriers with which you have a business relationship?

Lisa Tremble: We endeavour to get people on a flight. We are part of International Airlines Group, so we do have access to other carriers as well. One of the issues that everyone is finding is that the loads are really high on all the flights that are running at the moment, so it is sometimes not quite as straightforward as being able to ask easyJet to take on our customers because the passenger loads are very high.

Q80 **Chair:** So I am clear, Ruth Cadbury asked you if you rebook your customers on to flights from non-IAG airlines, for example. You do that.

Lisa Tremble: Yes, we do.

Q81 **Paul Howell:** I want to go back to the discussion around the problems



that you have had and try to understand a little bit about how much you guys are victims and how much is your own fault. If the problems are in the handling system, how much is that affecting you or is it a problem because you do not have your staff to do things. I just want to try to understand the relative impact of those two sides.

David Burling: As I said, for the airline industry to work, multiple things in this ecosystem need to work. We have more control over some of those items, like cabin crew and pilots. Then we have outsourced partners, and then there are other things like air traffic control strikes or things that we have less control over. We are in a situation this year where a number of those things are not working well, and they tend to multiply together. One of them does not work. It multiplies with another, and then you end up with aircraft and crew in the wrong place. We are victims of that.

Only 30% of my role is overseeing the UK. I also look after airlines in Europe. In Europe, as Simon quite rightly said, Amsterdam is a real problem in terms of security, but most of the aviation sector in Europe has a security issue but not a lot of the other issues we have, such as baggage-handling and other things. It comes back to what lots of people have said about the shutdown in the industry being more dramatic than in other countries in Europe. To some extent, that was surprising considering we were the first with the vaccine, but it was more dramatic.

The furlough scheme in the UK ended in September, and, in a lot of Europe, the equivalent schemes carried on until March, April or even now. We obviously had Brexit, so there were a lot of challenges. We have talked a lot about the security clearance. There are a lot of things, but, ultimately, customers pay their money to us. We are accountable for that ecosystem, and therefore it is our responsibility to try to put that right.

As I say, at TUI, after our really difficult weekend, we wanted to put more resilience into the things we could control, so more spare aircraft, more spare cabin crew and, in particular, looking at what we can do to help Swissport, which is probably our biggest challenge, in terms of its issues. Every week I am meeting with the global CEO of Swissport, looking at what we can do to improve that. It is getting better. What people said about the security clearance issues is getting better, so there is no simple answer. There are lots of parts to it. We are one part of it, but there were more challenges than in a normal year.

Q82 **Paul Howell:** Yes, but, for anybody who is running a business, there are things that are in your gift, and you need to control those as much as you can. Sometimes you will be a victim of something. You obviously have to have a view over the horizon.

I just want to pick you up on something slightly. I have had one flight in recent times, which happened to be a trip from Leeds Bradford Airport to Malaga. Security going out was an absolute nightmare. Security coming back was seamless. There were no problems at Malaga in terms of



coming into that, so I dispute your security comment there because everything else just seemed to work. It was just the security at Leeds; that was my specific experience there.

I want to go along the table in terms of understanding how much you were planning correctly and managing your business, or not being aware enough, getting the right feedback or things from others. I want to understand where the problem is and whether it is your control or somebody else's.

Sophie Dekkers: Just to build on exactly what David has said, as you have heard already this morning, there are multiple factors. There are things within our control, which are around crew. We have already talked about some of the challenges of ID processing and not getting them back online as quickly as we would have planned and anticipated to. We hold our hands up absolutely 100%.

Q83 Paul Howell: Just to interrupt you for one second there, in terms of the security clearance process, you have talked about things that you need to go through because of multiple references and everything. Is that something that is your policy, or is that an industry standard that you have to meet in terms of that?

Sophie Dekkers: It is an industry standard, and it is compounded, as I say, by the fact that people have had multiple roles. Our ask would be—and we have asked for this—for the Government to support us having direct access to the HMRC database, which means you are not then asking the individual to then go and ask their previous employers. We can do that process much more quickly, so that would be a fix to that issue. That is something that could happen now. I talked about the 142 crew that are sitting there trained and ready to fly. That would help to resolve some of those issues.

We have now brought 55 additional people in-house from other roles within the business that are now just focused on helping to chase up the phone calls to try to get that referencing, so that is critical.

You are absolutely right, as we have heard this morning, in terms of ground-handling. That is another pinch-point, as is air traffic control. If you add all those things together, it just takes one of those to get out of kilter to have a knock-on impact. This morning we have not massive delays, but Eurocontrol and other air traffic jurisdictions that each have between 20-minute and 35-minute delays.

Any delay that happens in terms of air traffic then has a knock-on impact in terms of the time the planes are coming in and then the ground-handling resource to handle that.

Q84 Paul Howell: Apologies for interrupting you. In terms of air traffic, we have all flown many times over many years, and you always get comments about air traffic. Are air traffic problems better or worse than we would have seen pre-pandemic?



Sophie Dekkers: At the moment, in the near term, we are seeing higher levels of sickness across the industry and in every single part of the industry. If you take one air traffic controller out, that reduces the flow rate of what the airport can handle quite significantly. We have very open dialogues with the air traffic controllers. We understand that, for the UK, if we look at Gatwick specifically, it will have more air traffic controllers than it had in 2019, but at the moment it is still in that ramp-up period.

Every single layer of the industry is going through this ramp-up, this ID processing and the same challenges, so it does not take much in terms of one of those elements. I am not here to point the finger outside of easyJet; it is our fault as much as anyone's in terms of where we are with ground-handling and ATC. It is the ecosystem we are in at the moment that is causing the issues. It takes one of those to knock the others out of kilter and have a much bigger impact on the operation.

Q85 **Paul Howell:** The end result is an impact on customers. They are the people who matter, at the end of the day. You as a business have to look very closely. Is it easyJet that is being quoted as having people that had to be taken off a plane that was ready to depart in terms of your planning? The decision not to fly has come so late that people have actually been on the plane ready to go. How can you get to that sort of situation? Surely your planning would know well before then that that plane cannot leave.

Sophie Dekkers: Yes, absolutely. Those circumstances are horrible, and we would not want those at all. I put myself in every single passenger's shoes, and I have two young children, so I would not want to be one of any of the families that I am sure you have heard from from your own constituencies either. The issue is that things like the knock-on delays of air traffic control and ground-handling mean that we get to the point where the crew are out of hours and are not able to operate, which means the next day they are not able to operate either the return sector and so on.

Q86 **Paul Howell:** Surely from a crew point of view, when you are loading the plane, you must know whether the crew are capable of flying from their hours.

Sophie Dekkers: When the crew get on-board and we are ready to depart—I am sure you have been on similar flights—they will say, "We are just waiting for an air traffic control slot", and you do not know how long you are waiting for that air traffic control slot. They might say, "Actually, no, we are now going to have to wait another hour". It is those unforeseen circumstances that mean that we end up having those knock-on impacts.

We absolutely do not want to be cancelling people on the day or offloading passengers. That is the worst. If you get on the plane, you think, "I'm here. I'm going on my holiday now". The worst thing is then to have to offload anybody, but the knock-on impact is that infrastructure



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we have at the moment and the fact that there are knock-on delays that are having impact then on crew and our ability to serve customers.

Q87 Paul Howell: I have to say that I find it remarkable that the spare capacity in the flight for the pilot to take off is so tight that an hour's delay on the runway or the holding pattern is enough to stop the plane.

David Burling: What would happen is that the plane would take off an hour late. It would get to Palma de Mallorca, and then it would miss its slot in Palma de Mallorca, and therefore it would then become even later coming back to the UK; it would then keep picking up ongoing delays. It might be late loading bags at Manchester. It is two hours late. It cannot get to a Greek island because the Greek island's airport has closed or the number of hours that the cabin crew can work has expired and therefore the aircraft gets stuck on a Greek island and therefore we do not have an aircraft for the next day.

This is why I said earlier that we as an industry—and this is what TUI is doing—need to build more resilience in what we can control. In a normal year, we would have two spare aircraft. We have now contracted extra, so we have five spare aircraft and extra crew so that we can cope with more bumps in the system than you would have normally.

Q88 Paul Howell: I still find it remarkable that there was so little resilience left in the system. I applaud the fact that you are moving for more resilience, but it feels to me like you should have had it in the first place. Sorry, Lisa; I will give you the opportunity to go back and make your point.

Lisa Tremble: I would just echo what my colleagues have said. Basically, we all have a responsibility for the problems that are currently in the system, and it is really important that we talk about what we can do to fix it because customers do not really care whose fault it is. They want us to work together and fix things moving forward.

Q89 Paul Howell: Do you agree with my last comment a few seconds ago in terms of you probably not having enough resilience in your system going into the problems that were there?

Lisa Tremble: We have built in the resilience as we have moved forward. We have done that in April and May, and we are keeping everything under review. Yes, we are building in resilience as we go through the season. As resources come in and some of the issues we have talked about get resolved, things will get easier.

Q90 Paul Howell: It does not feel to me as though you had as much as you would need for the planning and commitments you were making to your customer bases.

Lisa Tremble: Correct, because the key thing is resource, and we did not have it.

Q91 Chair: Very briefly, we heard earlier that, while BA has the highest



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number of cancellations, passengers tend to be told with more notice, but that easyJet seems to have the higher proportion of cancellations being informed at the airport. Why is that?

Sophie Dekkers: I do not know the relative cancellation at the airport numbers. I can talk about the cancellations. Let me talk about yesterday, for example. We operated 1,682 flights; 10 were cancelled on the day. Two of those were due to crew, and a number of those is because they were out of hours from the previous day. Two were due to air traffic control, and six were due to tech. These are the normal sorts of factors you would see.

I think the crew factor is probably one that has been a challenge for us, which is why we have taken actions such as reducing the capacity on our A319s, which you may have heard about, which means we have one more crew member to go into our standby pool. That is what we are trying to do in terms of that. That was an immediate action we could take when we knew we were not going to get enough through ID processing in the time we needed.

Q92 **Chair:** Do you disagree with what we heard earlier, which is that easyJet has more cancellations at the airport than other airlines? Do you disagree with that?

Sophie Dekkers: I do not know the relative numbers, but I do know that we have been taking pre-emptive cancellations. It has been the key thing we have been doing, and then there have been some on the day that we want to move away from. We do not want on-the-day cancellations.

Q93 **Chair:** There is no particular reason you can explain to us as to why easyJet might have a higher number of cancellations being informed to customers at the airport as opposed to before they have got there.

Sophie Dekkers: Not that I can say relative to my peers, no.

Q94 **Chair:** We did a survey of the public, and 60% of customers affected were told at the airport, and 70% of them were not given a reason. The vast majority of the respondents were easyJet customers. It was Simon Calder who said earlier that there were more cancellations at the airport.

Sophie Dekkers: We operated 96% of our capacity during the May half-term, so we made about 3.5% on-the-day cancellations. Now, that is too much, but they are the numbers. We are the biggest operator at the moment, so proportionally—

Q95 **Chair:** Let me just give you a very anecdotal example. I have not asked whether this is okay, but my mum was due to go to Italy last Saturday from Bristol Airport. I drove her to the airport in the morning. She got there a couple of hours early. She went through security, handed her bag in, went to the check-out queue, saw the bags being put on the easyJet flight, was told there was a delay, queued in the queue for an hour or something and was then told that the flight was cancelled. She then had



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to wait a couple of hours to get her bags. Why would you not have known in advance that you could not fly that plane to Italy?

Sophie Dekkers: Where possible, we would absolutely cancel in advance, and I am really sorry for that specific example that obviously impacted—

Q96 **Chair:** It is affecting lots of people. That is the evidence we are getting. I am trying to understand the reasons why BA might be able to tell us in advance that the flight is going to be cancelled but easyJet seemingly cannot.

Sophie Dekkers: The majority of cancellations we are doing are in advance. If you look at the total number of cancellations, the majority are being made in advance.

Q97 **Ruth Cadbury:** How far in advance?

Sophie Dekkers: It varies. We had made some cancellations for July and August back in May and April. In those instances, picking up on Lisa's points, we were able to offer 91% of people another flight on the same day. We have six flights a day from Gatwick to Malaga, for example, so we would much rather do that because passengers have an alternative option. That is absolutely what we are doing. The pieces that are causing more on-the-day cancellations are the run-rate we are seeing and the lag effect of things like getting ID passes cleared. That is unforeseen, and the process is taking longer, which is why we have thrown a lot of resource at it.

As I say, we have now capped the number of passengers on the flights so that we can release crew to be in the standby pool. We are trying to take some clear action to avoid that. An on-the-day cancellation is not good enough. I completely agree with you.

Chair: I am sure we all agree. We will write to all the airlines, you and others, and ask for the data about cancellations and notice periods for customers.

Q98 **Alexander Stafford:** When you overbook flights, what criteria do you have for taking people off the flights? How do you choose who gets to fly and who does not get to fly?

Lisa Tremble: At the moment, overbooking is not the issue that we are experiencing, but, as Simon referenced earlier, it was something that happened more frequently in 2019, and there were reasons for that to happen.

Q99 **Alexander Stafford:** It is still happening. What is the criteria?

Lisa Tremble: As Simon referenced, you talk to customers and look for volunteers and then you compensate them.

Q100 **Alexander Stafford:** BA does not have a policy at all of seeing whether people have booked directly through BA or through a third-party agency.



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Lisa Tremble: No. We basically do it on the day, on the flight.

Q101 **Alexander Stafford:** Is that the same with easyJet?

Sophie Dekkers: Yes. The majority of bookings are direct with easyJet anyway, but we ask for volunteers, and normally you get more volunteers than you need.

Q102 **Alexander Stafford:** On cancellations and overbooking, do you have the statistics of how many people book directly with BA or easyJet or TUI or through a third-party, when they do and who gets bumped off flights and who gets their flights cancelled? Is that information that can be provided to the Committee to see whether flights that were mainly booked through travel agents are more likely to be cancelled than those that are not?

Lisa Tremble: I could write to the Committee with that information afterwards. We do not judge who booked the flight. The flights are cancelled either on the day for a set of circumstances or, as we have done, we basically plan in advance to take out the capacity to make the operation more resilient. It is not about who booked the flight and where. On a BA flight, you would have a mix of people that have booked direct, some commercial customers and some through travel agents, so that is not a factor.

Q103 **Alexander Stafford:** To clarify, you do not give any preference to people who book directly.

Lisa Tremble: Correct.

Sophie Dekkers: There is no way, within the ground-handling system, that they have visibility of how somebody has booked. They just look like an easyJet customer. The majority have booked direct anyway, but there is no way for them to be able to know the booking channel that they came through. They just have the customers' contact details.

Q104 **Alexander Stafford:** When people had their flights cancelled, is it right to say that all three companies here do a voucher by default? Is that your first option? If you do a voucher by default, is there a time limit to when people can use that voucher from organisations.

Lisa Tremble: No. If we cancel your flight, you are offered refund, rebook or another airline, so, yes, if someone wants their money back, they will get an automatic refund, not a voucher.

Sophie Dekkers: We offer them the choice of what they want to do: whether they want a refund, to rebook or a voucher. We have been extending the validity dates of vouchers. They are normally 12 months. We have been extending them during Covid, given that people have not had the opportunity to use them, so we have been extending them beyond that.

Q105 **Alexander Stafford:** To what?



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Sophie Dekkers: Up to 24 months, depending on when they were issued.

David Burling: We have been giving a refund plus the EU261 compensation, but, as I say, because we thought that the standard that we offered in the May half-term was below the standard we expected, we offered an additional goodwill gesture, so that voucher was an addition over and above the legal minimum. That is eligible for any alternative flight or any future TUI holiday.

Q106 **Alexander Stafford:** There is no time limit to it.

David Burling: Not that I am aware of. I am not able to confirm that.

Q107 **Alexander Stafford:** I have one last question to you, Lisa, picking up on something you said earlier on. You said that you have already cancelled about 80 flights a day.

Lisa Tremble: Correct. That is about 10% capacity.

Q108 **Alexander Stafford:** Yes. We have already heard there are 114 flights that have been cancelled at the moment. Obviously, that is still a significant number and a big difference between 80 and 114. Why have you not already cancelled more on your routes to stop people going through that heartache if you cannot service it?

Lisa Tremble: Yes. That is exactly why we cancelled 10% of our capacity.

Q109 **Alexander Stafford:** Surely you need to cancel more because there are still flights being cancelled.

Lisa Tremble: As Sophie explained, sometimes there are on-the-day problems that are outside our control—for example, staff sickness, air traffic control or weather—so we build more resilience into the system by taking capacity out, but there are still some inevitable circumstances that happen on the day. There is a whole delicately tuned infrastructure. That means, unfortunately, some days we have to take on-the-day cancellations, but we are trying to plan as far ahead as we can, to make sure that we minimise that happening.

Q110 **Alexander Stafford:** Just to be clear, 80 flights have already been cancelled, so the 114 cancelled today are in addition to the 80 flights that have been cancelled.

Lisa Tremble: No. This is where it gets quite confusing when you give a running commentary.

Q111 **Alexander Stafford:** Is it 34 flights that were cancelled today?

Lisa Tremble: I can double-check the number of flights that were cancelled today, but 114 flights were not cancelled today.

Q112 **Alexander Stafford:** Maybe it is my ignorance, but I am trying to get to



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how many flights are there that people think they are going to get today and they are not flying today. You said you cancelled 80 in May, so people already know that. That is still a significant number of flights that are not flying. If you are already happy to cancel some routes, why are you not cancelling more in advance if you cannot fulfil them?

Lisa Tremble: We are cancelling. It is quite complicated, so, to be honest, I can completely understand why people feel confused. We are cancelling in advance, so we are not waiting until the day to make sure that, basically, the flight is cancelled on the day. We are proactively looking at the resource and the capacity, and we give customers as much notice—

Q113 **Alexander Stafford:** Sophie talked to us about how many flights were cancelled today. How many flights were cancelled today or yesterday for British Airways?

Lisa Tremble: I am sorry. I do not have that figure in front of me, but I will write to you and I will explain what the break-up is between how many were cancelled in advance and give you—

Q114 **Alexander Stafford:** How many were cancelled last week?

Lisa Tremble: Overall, we have cancelled 6,500 flights, which is around 80 per day, but they have been done in advance.

Q115 **Alexander Stafford:** Is that 6,000 last week? Sophie has given us the breakdown of exactly how many flights were cancelled and for what reasons. British Airways, which is meant to be the national carrier, is coming here and you are not telling me how many flights are cancelled or why they are cancelled.

Lisa Tremble: I can write to the Committee to give the exact breakdown, but I can tell you that we took out 10% of our—

Q116 **Alexander Stafford:** Basically, you do not know how many flights were cancelled today, yesterday or this week, and you are expecting the public to have confidence in that. Earlier on in your evidence, you also said that one of the reasons for cancelling flights is because people are unsure and in order to rebuild the industry. In your words, you want to rebuild certainty so that people want to work in the industry. What certainty can you give people to come and work for British Airways if you do not know yourself how many flights are going to be cancelled or whether they are going to be servicing flights or not? Surely there is confusion at all levels in British Airways.

Lisa Tremble: I do not think there is confusion at all levels. We have taken proactive action to take out 10% of our schedule.

Q117 **Alexander Stafford:** It is not working, is it? You are still cancelling.

Lisa Tremble: We have cancelled flights in order to build in that operational resilience, and that has led to far fewer on-the-day cancellations than other airlines.



Q118 Charlotte Nichols: I have been contacted by a constituent of mine, whom I will call Darren, who has seen a number of friends and families who have booked through TUI have their flights cancelled at very short notice, including people who were taken off flights onto which they had been boarded. He says, "Is there anything that the Government can do to take TUI to task? I am amazed they are allowed to get away with what they are doing. I find it really poor that holidaymakers are left to fend for themselves when having to find new flights and hotels because of these cancellations as there are no TUI reps to be seen. The final insult, when trying to get your refunds and compensations, is that it is not only taking an age but that people are being told on emails, 'Sorry. We can't find you on the manifest'. It is deeply hurtful what they are putting people through with no care at all. We pay huge amounts and take time off work for our holidays for just a company to cancel them sometimes at a minute's notice".

Darren is due to be going on holiday soon himself. What assurances can you give him and other travellers from Warrington who will be leaving from Manchester or Liverpool airports, or perhaps going to other airports in other parts of the country, that their holidays will be going ahead and that the failures we have seen over recent months will not be repeated?

David Burling: As I said, we had one very difficult weekend. I cannot apologise enough. Following the late cancellations and the service that we provided that weekend, the whole organisation is now galvanised to put in the resilience so that we do not have a repeat of that situation. I am sure that was at Manchester Airport. We put in what I call a firebreak where we immediately cancelled 43 flights a week in Manchester in advance through the month of June because we needed to be confident that we could operate. The baggage system in particular in Manchester was one of the primary causes for the delay, because the bags could not be loaded before the crew went out of hours because there was such a delay in loading the bags.

We learnt our lesson. We are building more resilience in terms of things that we can influence. We are working incredibly closely with Swissport to improve the situation across the whole UK, but particularly in Manchester. The confidence you can have is that things are getting better. Swissport said earlier that one of its challenges was that a high proportion of its staff did not have full security clearance and only had this escorted security clearance. That is getting better, so that situation and the baggage-handling at Manchester are getting better.

TUI and all the other airlines are getting their cabin crew through the security clearance. In TUI, we will be fully staffed by the end of this month to operate the programme. A lot is happening and working, but, that said, we will put all those measures in for this summer. At the end of the summer season, we will do another review looking back at the season and saying, "How can we plan this differently or better for a subsequent year in all those operating points".



We have to learn from this. The whole industry has to learn. The UK travel industry, as people said before, is a world-beating industry, but, if we are going to keep it that way, every part of this ecosystem needs to improve, and we all need to work together to really make that happen.

Q119 Charlotte Nichols: I have a quick yes/no question for each of you before I go back to the Chair. Are you confident that your customers who have booked for July and August can be assured that their flights will be going ahead?

David Burling: I am absolutely confident that we are putting every effort in to minimise what we can, but we do not control every element of the system. If there are strikes or major air traffic control issues, that would affect every airline, but I am absolutely confident that we are doing everything we can to make sure those holidays go ahead.

Sophie Dekkers: I would make exactly the same point. We are controlling what we can control, but we are also building in a buffer to make sure we allow for those things that are external factors, so that we can now take the lessons learnt from the last few weeks that have not been good enough to make sure we project those forward. If that means we need more people or it means we need to take *flights out* [12:31:20], that is something we will keep under review as we go forward. The key thing is that we absolutely 100% want to do anything that will give people certainty for their summer holidays.

Lisa Tremble: Exactly the same as my colleagues, we want to build resilience into the system. We want to do everything that we can to get as many people away as possible, and we will continue to be galvanised to make sure that happens over the summer.

Chair: Thank you to all three of you for your contributions. As I say, we will be welcoming the CEO of British Airways in a couple of weeks, and we will extend an invite to his counterpart at easyJet as well. We hope that your colleague gets better soon, Ms Dekker. Thank you to the three of you for giving your answers to us this morning.