

Consumer Protection Group



CPG Code of Practice

Issue 1 September 2000

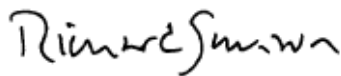
CPG Code of Practice

Foreword

The Consumer Protection Group of the Civil Aviation Authority is responsible for the management of the Air Travel Organisers' Licensing system, which includes granting Air Travel Organisers' Licences to travel firms; and for granting Operating Licences, Route Licences and Air Transport Licences to airlines.

This is our Code of Practice which sets out our standards and the levels of service which applicants and licence holders may expect.

The Code is in two parts. Part 1 explains the Group's general principles of service. Part 2 gives details of the general and specific service levels that apply to our various processes.



Richard Jackson
Director
Consumer Protection Group

Part 1: General Principles

The Consumer Protection Group's Role

The Civil Aviation Authority (CAA) is both a public service organisation and a regulatory body. The role of the Consumer Protection Group (CPG) is:

- To provide an effective and efficient system of consumer protection for travellers within the scope of the Civil Aviation (Air Travel Organisers' Licensing) Regulations;
- To ensure that the requirements of European and UK legislation affecting licensing, financial resources, liability and insurance of airlines are met.

CPG's principal activities are:

- Management of the Air Travel Organisers' Licensing ("ATOL") system, which includes –
 - Financial regulation, licensing and monitoring of air travel organisers;
 - Enforcement of the ATOL Regulations;
 - Providing a rescue and refund service, from bonds and the back-up fund, for customers affected by travel organiser failures.
- Airline Licensing and Consumer Issues, including –
 - Financial regulation, licensing and monitoring of airlines;
 - Enforcing compliance with EU requirements in relation to insurance, liability and nationality of ownership and control;
 - Sponsorship of the Air Transport Users Council.

Openness and Communication

We shall publish as much information as possible where this will help those we regulate with the processes involved, or where we have information that will be of general interest to them or to the public. Our published material will usually be available through the Internet and in hard copy on request.

We shall be glad to provide advice on specific points about the licensing system, and about the implementation of the various Regulations.

We are required by statutory Regulations to issue a formal proposal and reasons if we wish to refuse a licence, and in any case where we conclude that an applicant for a licence does not meet the standard for one to be granted, we shall explain fully why this is so. We shall explain the main points of the evidence and analysis that have led to our conclusions, and outline what steps could be taken so that a licence may be granted. In the event of a formal proposal to refuse or revoke a licence, we shall set out fully and clearly the grounds for the proposal.

In relation to particular areas of activity, we shall publish:

Air Travel Organisers' Licences

- Clear and detailed licensing criteria and rules for bonding, including an explanation of the process involved;
- Clear and detailed guidance on the effect of the ATOL Regulations and of the terms of licences;
- Regular information about which firms hold a licence, the size of their licensed business and their trading names;
- Regular statistics about the number of licences granted and the business authorised by them, and about the business operated under licences;
- The charges for grant and variation of licences.

Operating Licences, Route Licences and Air Transport Licences

- Clear guidance on the statutory requirements relating to Operating Licences, Route Licences and Air Transport Licences and on the licensing criteria and policies that we apply within those requirements;
- Full and detailed reasons for our decision in any contested licensing case, and (to the applicant only) in any other case;
- The charges for Operating Licences and Air Transport Licences.

Consultation

We consider it important to take account of the views of the industry when we consider any proposed change in the Regulations or in the terms of licences, or any significant change in our licensing policies, criteria or processes.

Before making (or proposing to Government, in the case of legislation changes) any changes in this category, we shall seek the views of individual licence holders, trade bodies and professional advisers, and we shall take account of any views put to us.

Consistency

Our licensing policies are published in detail, and one purpose of this is to make sure that they are equitably applied. We aim for our decisions to be consistent both with stated policies and with each other. We are willing to discuss with applicants, licence holders or their representatives any concerns about the consistency of our decisions, as far as we can do so within the requirements of confidentiality.

Security and Confidentiality

Although we regard openness as an important priority in relation to the information that we originate, it is also very important to us to take care that financial and other sensitive information provided by licence holders is handled carefully and kept secure. Most licence holders are required to send us unpublished information about their finances and activities, and often it would be damaging if this information was obtained by a competitor or another third party.

All our staff are security vetted before they join us, and we apply strict rules about the handling of documents and computer files. Access to our building and to individual areas is controlled by key cards. All papers are locked in secure cabinets before offices are vacated, and we enforce a “clear desk” policy so that the CAA’s 24-hour security staff can check our premises.

Financial information is not disclosed by CPG to other parts of the CAA or to other third parties without the explicit consent of the firm that provided it, and even within CPG it is kept within a small group of people – those directly involved in the case.

Proportionality and Value for Money

We are required by the Government to ensure that the income we receive from those we regulate is sufficient to cover our necessary costs.

Our charges attached to ATOLs derive chiefly from a variable charge per passenger; for Operating Licences, Route Licences and Air Transport Licences, they will vary according to revenue passenger kilometres flown. In each case they will reflect the value of the business to the licence holder.

We take care to ensure that both our charges and our licensing requirements are within the ability of small firms to meet, and that they do not represent a disproportionate competitive disadvantage against larger companies.

We are always aware of the need to maintain low charges as far as possible. We examine our working methods critically to ensure they are, and remain, efficient.

We also examine critically all the areas we regulate to ensure that licensing (where it is not mandatory) brings benefits that Parliament intended to apply. The CAA has exemption powers in relation to certain types of licence, and it will use those powers where in its view the benefits that might be obtained from licensing do not justify the costs to the industry and the consumer.

Helpfulness

Our staff will be polite and helpful at all times, and aim to maintain a good relationship with the firms who deal with them. They will identify themselves by name – on the telephone, in letters and in face to face meetings.

Each applicant or licence holder will have an assigned staff member who will be his normal point of contact. This person will be available on a direct telephone line, and will be the person to whom correspondence should be addressed so as to ensure that it is dealt with promptly.

All guidance material published by the Consumer Protection Group will include a contact number for further advice or information.

Your Role

You can help us to provide the best service possible by:

- Providing all the information and documentation we request;
- Giving us feedback and ideas on how we can improve our services; and

- Telling us when our services do not meet the standards we have published.

Complaints

It should be possible to deal with most minor problems through your normal contact in the Consumer Protection Group. However, if you have a difficulty that is not resolved to your satisfaction, you should ask to speak to his or her manager.

If your query is still not resolved, or if you feel you have not been properly treated, then you can write to:

Richard Jackson
Director, Consumer Protection Group
Civil Aviation Authority
Third Floor, CAA House
45-59 Kingsway
London WC2B 6TE

Telephone: 020 7453 6300
Facsimile: 020 7453 6490

Your complaint will be properly and fully investigated. An acknowledgement will be sent to you within a week, and at that point we shall say how soon we expect to let you have a full response.

Part 2: Service Levels

Our Service Targets

General Service Targets

- Our staff will be courteous and helpful.
- Visitors who have a pre-arranged appointment will be met on time.
- Telephones will be answered promptly and our staff will identify themselves by name. Your enquiry will be dealt with at the time if possible; if this is not possible, we shall call back at a pre-arranged convenient time.
- We shall normally respond to routine letters and requests for information within two weeks, but we shall try to respond quickly in cases where it is clear that a prompt response is important to the correspondent. Where letters raise difficult issues or issues that cannot be dealt with immediately and it will take some time to prepare a full response, we shall respond within two weeks telling you the reason for the delay, giving you a contact and indicating how long a substantive reply is likely to take.

Service Levels for Each Activity

Our ability to meet our service targets is affected by factors such as seasonal demand. If a particular delay is likely to occur then we shall tell you that this is so and try to give an indication of how long the delay will be.

We cannot process applications for any kind of licence until we have the necessary information in support of it, and (for some kinds of licence) the fees to pay for the process.

Our service targets, set out below, all relate to how quickly we shall deal with applications and proposals *after* we receive the necessary information. Any delay in providing this, or in answering queries at a later stage, will lengthen the overall time taken to reach a decision.

New Air Travel Organiser's Licence Applications

As soon as possible after we receive an application (usually within two weeks), we shall tell the applicant what further information we need in order to progress it.

We shall aim to ensure that the waiting time between the submission of the required information and our decision on the application is not more than eight weeks on average. Straightforward applications and those received at times of the year when we are less heavily pressed with renewal applications may be dealt with more quickly.

ATOL Renewals

If a renewal application is made, and accompanied by specified information, by a stated date which is usually three months before the expiry of the current licence, the licence holder is protected by a provision in the Regulations so that the old licence will remain in effect until a decision on the renewal is reached. In practice, this means that we must deal with renewal applications in this category within three months of receiving them.

We shall expect to improve on this requirement and deal with fully supported renewal applications within an average of two months.

Applications for Operating Licences

As soon as possible after we receive an application (usually within two weeks), we shall tell the applicant what further information we need in order to progress it.

The CAA grants Operating Licences in accordance with the requirements of the European Council Regulation on the Licensing of Air Carriers. One of these is that we must take a decision on an application as soon as possible, and not later than three months after all the necessary information has been submitted.

For any new application for a Type A Operating Licence, we shall need a business plan covering the proposed activities. The length of time taken to analyse a business plan and to give an applicant a view on the capital which will be necessary for a licence to be granted will vary according to the range and complexity of the proposal. We shall normally give a response, setting out the terms on which we could grant an Operating Licence, within two months of receiving the complete business plan and supporting detail.

Applications for Type B Operating Licences involve less information and can be dealt with more quickly. We shall normally give a decision on these applications, or indicate clearly the area of difficulty, within one month of receiving the information.

New Proposals by a Holder of an Operating Licence

The Council Regulation requires holders of Operating Licences to notify us of proposals for changes in their operations, and we must ask for a new business plan if we think these changes will have a significant effect on the licence holder's position. We must then reach a decision within three months of receiving the full plan. As with new applications, we shall aim to reach a decision on all proposals within two months of receiving all necessary information.

Applications for Route Licences and Air Transport Licences

The time scales in relation to Route Licences are mainly imposed on us by statutory Regulations. These reflect the need to allow for publication of applications and for public hearings in the case of objections by specified persons.

We shall normally set a date for a public hearing, and notify the parties of this date, two months in advance of its taking place. In cases of particular urgency we shall be willing to consider a shorter period where this does not infringe on the rights and needs of any of the parties.

Unopposed applications for Route Licences will often be dealt with very quickly after the end of the objection period, which is normally three weeks. We shall expect to deal with applications where no objection or representation is made, subject to international implications, within two weeks of the end of the objection period.

For Air Transport Licences, we shall need to consider financial resources as well as those that normally relate to Route Licences. The time scale for considering business plans will be the same as for Operating Licences.

Further Information

If you would like more information, or you have any queries or want to obtain copies of any of our publications, please contact:

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London WC2B 6TE

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Web site: www.atol.org.uk