

## Consumers: 50% of misleading airline websites corrected

*EU Consumer Commissioner Meglena Kuneva today published the mid term report on an EU wide enforcement investigation - involving 15 EU national authorities as well as Norway – against misleading advertising and unfair practices on airline ticket selling websites. The report shows that there are "serious and persistent consumer problems" throughout the airline industry as a whole. 1 in 3 websites surveyed (137 out of 386 originally checked by the 13 reporting countries) have had to be followed up with enforcement action over the last 7 months for breaches of EU consumer law. Over 50% of those websites have been corrected during this time.*

"It is unacceptable that 1 in 3 consumers going to book a plane ticket online is being ripped off or misled and confused", said EU Consumer Commissioner Meglena Kuneva. This report shows there are serious and persistent problems with ticket sales throughout the airline industry as a whole. I intend to work with Member States to do everything possible to wrap up this investigation by May 1<sup>st</sup> next year. But these findings send a political signal we cannot ignore. I hope operators have now realised the determination of the Commission to act on behalf of consumers where it is necessary. My message to industry is clear, act now or we will act. We will need to see credible evidence of improvement to clean up these sales and marketing practices within the airline sector by May 1<sup>st</sup> next year or we will be left with no choice but to intervene."

### The Main Results

The Commission's mid term Report on the airline ticket investigation provides a "snap shot" of the state of play of the enforcement work, based on the available data for 13 countries, on Feb 22<sup>nd</sup> 2008. The investigation focused on misleading pricing, availability of offers and unfair contract terms (including pre-checked boxes, clear contract terms available in the language of the consumer). The key findings are as follows:

- **1 in 3 websites** have required follow up enforcement action for breaches of consumer law.
- **Many sites had multiple problems.** The overall trends of problems within the sector are as follows: **misleading pricing** has emerged as the biggest problem, found in 58% of the sites under investigation; irregularities related to **contract terms** were found in 49% of those sites (missing or wrong language version, and pre-checked boxes for optional services). Problems with **non-availability of advertised offers** appeared in 15% of the sites.

- **The problems exist across the airline industry as a whole – airlines and tour operators** (the distinction between so-called low fare and traditional airlines is increasingly blurred in practice). Of the 79 sites being investigated because of problems of misleading pricing, 44 (56%) sites are airlines, 27 (34%) sites are travel agencies/tour operators, and 8 (10%) sites were other types such as price comparison sites. Of the 21 websites sites with problems to do with the availability of offers, 12 (57%) sites were airlines, 6 (28%) sites were travel agencies and 3 were "other". Of the 67 sites being investigated for unfair contract terms, 26(39%) sites were airlines, 34(51%) sites were travel agencies and 7(10%) sites were "other". (Many sites had multiple problems so the statistics for problems is therefore greater than the number of sites).
- The problems persist **amongst a wide range of companies**. The 137 websites under investigation represent about 80 companies – including large brand names and lesser known companies.
- **Enforcement has now passed 50%**. The tables in the mid term report (see summary table in attached memo) present the enforcement data as it stood on Feb 22<sup>nd</sup> 2008. Since then, enforcement has continued and further corrections have been made. Lithuania has reported that all the sites it flagged with confirmed irregularities have now been corrected, an additional 13 sites. Belgium has reported 4 new sites corrected. This data puts the level of corrections at the end of April at over 50%.
- **Enforcement levels for national and cross border enforcement differ substantially**. The report shows a 55% enforcement/correction rate (50 out of 90), for national sites, where authorities are dealing with companies based in their own country. This compares to a 9% enforcement rate (5 out of 43) for cross border cases, where national authorities are requesting assistance from an authority in another country to enforce the law with a company based in that member state.
- **Transparency**. Legal constraints prevent the majority of Member States from publishing company names at this stage, while administrative or legal proceedings are ongoing. This is a key issue for the future functioning of the network. Norway and Sweden have made public lists of company websites under investigation (see link below).

### **What happens next?**

Enforcement work within the network will be intensified, with a view to a further reporting back after 1<sup>st</sup> May 2009. The Commission will monitor developments in the airline sector over the coming year and assess the need for further action at that time. During 2008, updates on enforcement will be posted on national websites which can be accessed via the Commission's consumer affairs website.

Sweep page [http://ec.europa.eu/consumers/enforcement/sweep/index\\_en.htm](http://ec.europa.eu/consumers/enforcement/sweep/index_en.htm)

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