



AIRLINE CUSTOMER ADVOCATE

2014 ANNUAL REPORT

1 JANUARY - 31 DECEMBER

This Annual Report contains details about the total number of Eligible Complaints received and finalised by the Airline Customer Advocate, the number of Eligible Complaints outstanding and the top five issues for each Participating Airline and corresponding percentages.

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Advocate's Foreword

The Airline Customer Advocate (the Advocate) was established on 1 July 2012 to facilitate the resolution of unresolved complaints from the customers of the 5 participating airlines (airlines) about the services provided by the airline. These airlines are Jetstar, Qantas, Regional Express, Tigerair and Virgin Australia.

The Advocate provides an informal process to resolve complaints that accords with an airline's customer charter, as well as its conditions of carriage and any applicable laws including international conventions that define an airline's liability in prescribed circumstances such as lost baggage. The Australian Consumer Law also protects airline customers.

Australian airline customers took more flights domestically and internationally overall in 2014 as total passenger numbers across all the airlines increased to 69,501,821 from 69,014,406 in 2013.

Airline customers are also contacting the Advocate in increased numbers.

The Advocate received 1132 eligible complaints. This represents an increase of more than 13% (983) on the previous year with refund requests and delays and cancellations still representing the biggest areas for customer dissatisfaction. Telephone inquiries rose by 30% to 1,459.

With these challenges, average complaint finalisation timeframes increased from 14.9 to 18.3 calendar days. Notwithstanding this increase, 85.02% of customers agreed or strongly agreed their complaint was managed in a timely way.

For the first time, resolution rates decreased to just over 60%. Despite this fall, 88.10% of customers agreed or strongly agreed the Advocate was independent on all its interactions, up from 76.4% in 2013.



Julia Lines
Airline Customer Advocate

Highlights:

- 1132 complaints received
- 1071 complaints finalised
- 648 complaints resolved
- Average complaint timeframe was 18.3 days
- 1459 telephone inquiries

Participating airlines

Jetstar

Jetstar Airways Pty Limited is a wholly owned subsidiary of the Qantas Group and commenced operations in May 2004. It states it is a low fare, leisure carrier and carried 17,734,886 customers over the reporting period.

Qantas

Qantas was established in 1920 and states it is Australia's largest domestic and international airline. It carried 27,548,000 domestic and international passengers over the reporting period.

Regional Express

Regional Express (also known as Rex) was established in 2002. It states it is Australia's largest independent regional airline and during the reporting period it carried 1,055,523 passengers.

Virgin Australia

Virgin Australia (formerly Virgin Blue) was established in 2000 and states it is Australia's second largest airline. It carried 19,826,869 domestic and international passengers during the reporting period.

Tigerair Australia

Tigerair Australia (formerly Tiger Airways) commenced operating in Australia in 2007. The Virgin Australia Group owned 60% of the airline in 2014 and in February 2015, the Group completed the acquisition of the remaining 40%. Tigerair Australia states it is a budget carrier and carried 3,336,543 passengers during the reporting period.

Note: passenger numbers were provided by the individual airlines.

Complaint process

A customer needs to submit their complaint first to the airline if they wish to complain to the Advocate about a service provided. This is because the participating airlines have agreed, as set out in their Customer Charters, to first attempt to resolve a complaint with their customer. The customer should also ask a participating airline to review the decision if a response is received and it is considered inadequate. The participating airlines therefore have two opportunities to try and resolve a customer's concerns before a customer can complain to the Advocate.

A Customer lodges a complaint to the Advocate electronically via the website at www.airlinecustomeradvocate.com.au. Alternatively, a customer can contact the Advocate to request a Complaint Form be posted.

Complaints received

During the reporting period, the Advocate received 1132 eligible complaints.



Eligible complaints

A complaint to the Advocate is eligible if:

- a. The complaint is about a participating airline's airline services
- b. The customer has already tried to resolve the complaint directly with the participating airline by following the complaints process set out in the airline's Customer Charter, has sought a review of the response received from the participating airline, and allowed for the timeframes specified in the participating airline's Customer Charter. Alternatively the customer has not received a response within those timeframes and
- c. The complaint relates to an event or circumstances that occurred less than twelve months ago.

A person may lodge a complaint on behalf of another person who is unable to make the complaint on their own behalf, provided they have that person's authority.

A person cannot use the services of the Advocate in relation to a complaint if a claim has already been filed in a court or tribunal (whether pending or finalised) or a complaint has been lodged with a government authority in relation to the same matter.

Airline services

Customers can submit a complaint concerning the following services provided by the participating airlines.

(See definitions at www.airlinecustomeradvocate.com.au/General/Eligibility.aspx and also the participating airlines' customer charters at www.airlinecustomeradvocate.com.au/General/AirlinesCustomerCharter.aspx)

- Flight delay or cancellation
- Telephone reservation services
- Cancellation/refund request
- Fees or charges
- Special needs
- Website
- In-flight customer services
- Airport customer services
- Baggage services
- Safety
- Security
- Discrimination
- Loyalty/Frequent Flyer Program
- Airport lounge
- Terms and Conditions

Complaint steps

The Advocate receives the complaint and can ask the customer for additional information to clarify the complaint or outcome sought.

The Advocate then assigns the complaint to the case manager at the applicable participating airline within five working days after receipt. At this step, the Airline Case Manager may contact the customer to clarify any points about the complaint, or attempt resolution again directly with the customer.

The participating airline provides a written response to the Advocate within 10 working days of receipt. The Advocate can also ask the participating airline for more information within 5 working days.

The eligible customer receives a response within 20 working days from the date they lodged the complaint with the Advocate. Eligible customers are informed of the existence of alternative avenues for dispute resolution should they be dissatisfied with the outcome of the Airline Customer Advocate process.

Top five complaint issues

The table at Appendix 1 shows the top complaint issues received by the Advocate and corresponding percentages of eligible complaints received.

- 1 Refund request **31%**
- 2 Flight delay or cancellation **15%**
- 3 Terms and conditions **12%**
- 4 Fees or charges **8%**
- 5 Airport Customer Services **7%**

Top five complaint issues for individual airlines

The table at Appendix 2 shows the top five issues for each participating airline and corresponding percentages of eligible complaints received.

Major events in 2014

There were no events reported by the airlines that may have affected complaint levels.

Finalised complaints

During the reporting period, 1071 complaints were finalised (94.6%), keeping up with the number of complaints received.

Complaints outstanding

61 complaints were outstanding at the end of the reporting period.

Time taken to finalise complaints

The average days taken to finalise a complaint was 18.3 calendar days. This is well within the published 20 working days timeframe that the airlines have committed to.

Resolving complaints

A complaint is finalised as resolved if the customer considers the complaint is resolved, if the outcome requested by the customer in the complaint is offered by the airline and accepted by the customer, or if an offer made by an airline is accepted by the customer.

Across the airlines, 60% of complaints were resolved. Of the 1071 complaints finalised, 648 (60.50%) were resolved.

Telephone inquiries

Customers who are thinking about making a complaint can call the Advocate's toll free inquiry number 1800 813 129. Information is offered about accessing the Advocate's service and its role in resolving unresolved complaints.

During the reporting period, the Advocate received 1459 telephone inquiries.

Customers are provided information about how to resolve their complaint with an airline directly, or assisted with lodging an eligible complaint with the Advocate. Customers can also request a Complaint Form if that is a customer's preferred method of lodging their complaint. Other consumers can be referred to an Australian Consumer Law regulatory body if their concern is about a non participating airline, or another appropriate complaint handling body if the complaint is not about an airline service.

Website

The Airline Customer Advocate website is at www.airlinecustomeradvocate.com.au/General/Default.aspx

There were 23,359 visits during the reporting period. This represents a 21% increase on 2013 (18,424).

The website contains the Customer Charters of the participating airlines and also links to each of their online complaint forms. There is also information about the Advocate including its Mission Statement and Customer Service Charter and Privacy Statement. It also includes information for consumers regarding complaints about other airlines who do not participate in the scheme.

The website contains the online form for lodging a complaint electronically. If an Eligible customer cannot lodge a complaint online, they can call or write to the Advocate to request a Complaint Form which can be returned and lodged by post or fax.

A complaint number is automatically generated and emailed to the email address included on the form. A customer can track the progress of their complaint at any time and if required, also lodge additional documentation.

Customer Satisfaction

Eligible customers are surveyed after a complaint is closed. The surveys assist the Advocate to know about what it is doing well and where it needs to improve its service. During the reporting period, 227 (21.20%) customers responded to the survey. Of these customers, 175 (77.20%) had their complaint resolved and the remaining 52 (22.80%) were customers whose complaint was unresolved.

Overall, 89.43% of customers strongly agreed or agreed they were treated fairly, with respect and honesty, and 88.10% strongly agreed or agreed the Advocate was independent in all its interactions. Overall 85.02% of customers agreed or strongly agreed their complaint was managed in a timely way and 88.10% agreed or strongly agreed it was easy to use the Airline Customer Advocate service.

Appendix 1

Top 5 Complaint Issues

| Airline (Number complaints per 100,000 passengers* carried) | Refund request 31% | Flight delay or cancellation 15% | Terms and Conditions 12% | Fees or charges 8% | Airport customer services 7% |
|---|-----------------------------------|---|---|------------------------------------|--|
| Regional Express | Refund request 0.28 per '00000 | Flight delay or cancellation 0.09 per '00000 | Terms and Conditions 0.09 per '00000 | Fees or charges 0.09 per '00000 | 0 |
| Qantas | Refund request 0.44 per '00000 | Flight delay or cancellation 0.2 per '00000 | Terms and Conditions 0.18 per '00000 | Fees or charges 0.18 per '00000 | Airport customer services 0.09 per '00000 |
| Tiger Airways | Refund request 4.71 per '00000 | Flight delay or cancellation 2.28 per '00000 | Terms and Conditions 1.5 per '00000 | Fees or charges 1.02 per '00000 | Airport customer services 1.71 per '00000 |
| Virgin Australia | Refund request 0.75 per '00000 | Flight delay or cancellation 0.46 per '00000 | Terms and Conditions 0.3 per '00000 | Fees or charges 0.17 per '00000 | Airport customer services 0.13 per '00000 |
| Jetstar | Refund request 1.11 per '00000 | Flight delay or cancellation 0.48 per '00000 | Terms and Conditions 0.43 per '00000 | Fees or charges 0.26 per '00000 | Airport customer services 0.21 per '00000 |

*Passenger numbers as provided by individual Airline (0 means no complaints)

Appendix 2

Individual Airlines Top 5 Complaint Issues

| Airline (Number complaints per 100,000 passengers* carried) | 1 | 2 | 3 | 4 | 5 |
|---|-----------------------------------|---|--|---|---|
| Regional Express | Refund request 0.28 per '00000 | Flight delay or cancellation 0.09 per '00000 | Cancellation request 0.09 per '00000 | Fees or charges 0.09 per '00000 | Terms and Conditions 0.09 per '00000 |
| Qantas | Refund request 0.44 per '00000 | Flight delay or cancellation 0.2 per '00000 | Fees or charges 0.18 per '00000 | Terms and Conditions 0.18 per '00000 | Loyalty/Frequent flyer program 0.17 per '00000 |
| Tiger Airways | Refund request 4.71 per '00000 | Flight delay or cancellation 2.28 per '00000 | Airport customer services 1.71 per '00000 | Terms and Conditions 1.5 per '00000 | Fees or charges 1.02 per '00000 |
| Virgin Australia | Refund request 0.75 per '00000 | Flight delay or cancellation 0.46 per '00000 | Terms and Conditions 0.3 per '00000 | Fees or charges 0.17 per '00000 | Baggage services 0.16 per '00000 |
| Jetstar | Refund request 1.11 per '00000 | Flight delay or cancellation 0.48 per '00000 | Terms and Conditions 0.43 per '00000 | Fees or charges 0.26 per '00000 | Baggage services 0.22 per '00000 |

*Passenger numbers as provided by individual Airline (0 means no complaints)

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