1 January – 31 December

2018

AIRLINE CUSTOMER ADVOCATE

Annual Report

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 complaints from the customers of the five participating airlines about the services provided by the airline. These airlines are Jetstar, Qantas, Regional Express, Tigerair Australia and Virgin Australia.

The Advocate is an aviation industry funded dispute resolution scheme. This funding model is typical of the many diverse and long-established industry specific resolution schemes across Australia that partner with consumers.

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 2018 as total passenger numbers across all the participating airlines increased to 80,669,316 (up 4.1%) from 77,498,330 in 2017.

The Advocate received 1,410 eligible complaints. This represents an increase of 12.5% from the previous year (1,253) with flight delays and cancellations, refund requests, and fees and charges still representing the biggest areas for customer dissatisfaction.

Resolution rates increased significantly to just over 70% (70.70%) from 51.77% 2017 and 2,135 telephone enquiries were received.

During the reporting period, the average complaint finalisation timeframes increased from 16 to 17 calendar days, still well within the 20 business day target. The increase in the finalisation can be attributed to the increased resolution rate overall due to increased time spent negotiating outcomes for customers. 85.66% of customers agreed or strongly agreed their complaint was managed in a timely way.

87.81% of customers agree or strongly agree that the Advocate was independent during all of its interactions.

Catherine Addison-Walsh Airline Customer Advocate 09 July 2019

Highlights

- 1,410 complaints received
- 1,406 complaints finalised
- 994 complaints resolved
- Average complaint finalised in 17 calendar days
- 2,135 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 fares airline and carried 20,410,099 customers over the reporting period.

Qantas

Qantas was established in 1920 and states it is Australia's largest domestic and international airline. It carried 33,662,902 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 1,258,172 passengers.

Virgin Australia

Virgin Australia was established in 2000 and states it is Australia's second largest airline. It carried 20,911,978 domestic and international passengers during the reporting period.

Tigerair

Tigerair Australia commenced operating in Australia in November 2007 and is a wholly owned subsidiary of the Virgin Australia group. It states it is a low cost airline and carried 4,426,165 passengers during the reporting period.

Note: passenger number statistics were provided by the individual airlines.

The complaints submitted to the Airline Customer Advocate, which are contained within this Annual Report, do not necessarily reflect the overall performance of each individual airline. For information regarding on-time performance and cancellation rates for the 2018 reporting period, please use this <u>link</u>.

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 <u>www.airlinecustomeradvocate.com.au</u>. Alternatively, a customer can contact the Advocate to request a Complaint Form be posted.

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 12 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 <u>http://www.airlinecustomeradvocate.com.au/General/Eligibility.aspx</u> and also the participating airlines' customer charters at http://www.airlinecustomeradvocate.com.au/General/AirlinesCustomerCharter.aspx)

- Flight delay or cancellation
- Telephone reservation services
- 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 ten working days of receipt. The Advocate can also ask the participating airline for more information within five 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 five complaint issues as selected by customers and the corresponding percentages of eligible complaints received.

1	Flight delay or cancellation	28%
2	Refund request	24%
3	Loyalty/Frequent Flyer programs	14%
4	Baggage services	10%
5	Fees or charges	8%

Top five complaint issues for each participating airline

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

Major events in 2018

Event	Location/Ports	Dates
Winter Storm Greyson	East Coast USA (JFK)	05Jan - 07Jan
Cyclone Joyce	WA (BME, KTA, LEA, PHE)	09Jan - 13Jan
Cyclone Gita	South Pacific (AU-NZ flights)	20Feb - 01Mar
Tropical Cyclone Marcus	Darwin	16Mar - 19Mar
Tropical Cyclone Iris	Queensland (HTI, PPP, MKY)	Early April
Cyclone Keni	Fiji	09Apr - 16Apr
Mt Agung Volcano Eruption	Indonesia (DPS)	29Jun - 02Jul
Hurricane Lane	Hawaii	23Aug - 27Aug
Typhoon Jebi	Japan	06Sep - 10Sep
Hurricane Florence	US East Coast	13Sep - 17Sep
Bushfires	Newcastle	13Jan - 14Jan
Indonesian Earthquake	DPS	19Aug - 21Aug
Typhoon Mangkhut	China/HKG	Mid-September
Typhoon Trami	Japan	29Sep - 30Sep
Tropical Cyclone Owen	AU East Coast (BNE, OOL, SYD, CBR, MEL)	13Dec - 14Dec

These are the events reported by the airlines that may have affected complaint levels:

Finalised Complaints

During the reporting period, 1,406 complaints were finalised (99.7%), keeping up with the number of complaints received.

Complaints outstanding

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

Time taken to finalise complaints

The average number of days taken to finalise a complaint was 17 calendar days. This is within the published 20 working days timeframe that the participating airlines have committed to.

Resolving complaints

A complaint is resolved if the customer considers the complaint 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 participating airlines, more than 70% of complaints were resolved. Of the 1,406 complaints finalised, 994 (70.7%) were resolved. This is a significant increase on previous years and the best result since the inception of the Airline Customer Advocate in 2012.

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 to facilitate the resolution of complaints.

During the reporting period, the Advocate received 2,135 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

There were 92,142 visits during the reporting period. This represents a 6.7% increase on 2016 (86,368).

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.

The website contains the online form for lodging a complaint electronically. If a 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 survey assists the Advocate to know what it is doing well and where it needs to improve its service. During the reporting period, 461 (32.78% of finalised complaints) customers responded to the survey. Of these customers, 279 (60.52% had their complaint resolved and the remaining 182 (39.48%) were customers whose complaint was unresolved.

Overall, 89.24% of customers strongly agreed or agreed they were treated fairly and with respect and honesty, and 87.81% strongly agreed or agreed that the Advocate was independent in all of its interactions. Overall 85.66% of customers agreed or strongly agreed their complaint was managed in a timely way, and 91.03% agreed or strongly agreed it was easy to use the Airline Customer Advocate service.

Customer Feedback

Hi Catherine,

Firstly I really want to thank you for all your support and help, you are such a good professional.

I will accept their offer and finish with these two months and a half of nightmare. I will email them directly as per the instructions in the attachment. Thanks again and take care!

Hi Catherine,

I just wanted to say thanks again for your quick resolution. It felt like I had been beating my head against the wall with the airline & it was great to have such an easy fix provided by the ACA. I've given you all 5/5 scores on the survey that was sent through. Cheers

Hi Catherine...You have made my day and would like to thank you very much for your help and great outcome.

the incident with the airline was very stressful and it was just so nice to have someone listen and take action on our behalf as the airline were not interested at all.

I will follow through with the form they have sent and wish you a lovely day. thanks again!!

Good Morning Catherine

Thank you for your mail. Please find attached filled in form as requested. Please accept my thanks and gratitude for your assistance. I am very pleased with the outcome and am certain that without your assistance and that of your office that it would not have happened. I thanks you very much.

Best regards

Dear Catherine, Thanks for your email. We accept this solution and I hope similar circumstances will never happen to any customer in the future. Again, thank you for following up the case and all your effort. Wish you all the best. Best regards,

Hi Catherine, i just wanted to say "Thankyou' for your help in resolving this matter. I appreciate that at times it can be difficult, but you were very clear and helpful in my case, so thank you . Regards

I am so appreciative of your understanding and assistance with this matter. I am happy with the result and look forward to being able to visit my family.

I am very pleased with the influence the ACA appears to have to regulate customer service in this industry. I cannot thank you enough. Kind regards

Dear Catherine,

Thank you so much for dealing with my complaint, I really appreciate your help. You are amazing!

Warm wishes, Tracy

Hi Catherine,

Today we did received our refund from the airline.

Thank you for your assistance in this matter which has now been finalised and you can put this file in the completed file.

Your promptness and excellent manner you handled my file is a credit to you. Please let your manager know that we were very satisfied in the way you handled my complaint.

To Catherine and your team,

I would like to thank you very much for a swift and positive resolution for my complaint, without any further involvement from me.

It is nice to know that there is an effective backstop available for airline customers.

Appendix 1

Airline (Number complaints per 100,000 passengers* carried)	Flight delay or cancellation 28%	Refund request 24%	Loyalty/Frequent flyer program 14%	Baggage services 10%	Fees or charges 8%
Regional Express	Flight delay or cancellation 0.32 per '00000	Refund request 0.08 per '00000	0	0	Fees or charges 0.08 per '00000
Qantas	Flight delay or cancellation 0.45 per '00000	Refund request 0.46 per '00000	Loyalty/Frequent flyer program 0.47 per '00000	Baggage services 0.21 per '00000	Fees or charges 0.15 per '00000
Tigerair	Flight delay or cancellation 1.76 per '00000	Refund request 1.04 per '00000	0	Baggage services 0.09 per '00000	Fees or charges 0.18 per '00000
Virgin Australia	Flight delay or cancellation 0.24 per '00000	Refund request 0.19 per '00000	Loyalty/Frequent flyer program 0.16 per '00000	Baggage services 0.2 per '00000	Fees or charges 0.07 per '00000
Jetstar	Flight delay or cancellation 0.49 per '00000	Refund request 0.45 per '00000	Loyalty/Frequent flyer program 0.01 per '00000	Baggage services 0.13 per '00000	Fees or charges 0.17 per '00000

Top Five Complaint Issues

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

Appendix 2

Individual Airlines Top Five Complaint Issues

Airline (Number complaints per 100,000 passengers* carried)	1	2	3	4	5
Regional Express	Flight delay or cancellation 0.32 per '00000	Cancellation request 0.16 per '00000	Fees or charges 0.08 per '00000	Safety 0.08 per '00000	Terms and Conditions 0.08 per '00000
Qantas	Loyalty/Frequent flyer program 0.47 per '00000	Refund request 0.46 per '00000	Flight delay or cancellation 0.45 per '00000	Baggage services 0.21 per '00000	Fees or charges 0.15 per '00000
Tigerair	Flight delay or cancellation 1.76 per '00000	Refund request 1.04 per '00000	Fees or charges 0.18 per '00000	Airport customer services 0.14 per '00000	Baggage services 0.09 per '00000
Virgin Australia	Flight delay or cancellation 0.24 per '00000	Baggage services 0.2 per '00000	Refund request 0.19 per '00000	Loyalty/Frequent flyer program 0.16 per '00000	Fees or charges 0.07 per '00000
Jetstar	Flight delay or cancellation 0.49 per '00000	Refund request 0.45 per '00000	Fees or charges 0.17 per '00000	Baggage services 0.13 per '00000	Website 0.05 per '00000