The impact of Unfair Commercial Practices on competition in the EU passenger transport sector, in particular air transport

Study presentation proceedings

Policy Department for Economic, Scientific and Quality of Life Policies
Directorate-General for Internal Policies
Authors: Radostina PARENTI and Tijmen TUINSMA
PE 658.188 - December 2020
Abstract

The study presented at the event aims at identifying and analysing the unfair commercial and trading practices in passenger air transport that not only are detrimental to consumers, but which can also distort competition in the Single Market. Moreover, the discussion during the event also covered competition and consumer protection aspects that arise in the context of the COVID-19 pandemic.

These proceedings of the study presentation were prepared by the Policy Department for Economic, Scientific and Quality of Life Policies at the request the committee on Economic and Monetary Affairs (ECON).
This document was prepared for the European Parliament's committee on Economic and Monetary Affairs (ECON).

**AUTHORS**
Radostina PARENTI
Tijmen TUINSMA, Trainee

**ADMINISTRATOR RESPONSIBLE**
Radostina PARENTI

**EDITORIAL ASSISTANT**
Janetta CUJKOVA

**LINGUISTIC VERSIONS**
Original: EN

**ABOUT THE EDITOR**
Policy departments provide in-house and external expertise to support European Parliament committees and other parliamentary bodies in shaping legislation and exercising democratic scrutiny over EU internal policies.

To contact the Policy Department or to subscribe for email alert updates, please write to:
Policy Department for Economic, Scientific and Quality of Life Policies
European Parliament
L-2929 - Luxembourg
Email: Poldep-Economy-Science@ep.europa.eu

Manuscript completed: November 2020
Date of publication: December 2020
© European Union, 2020

This document is available on the internet at:
http://www.europarl.europa.eu/supporting-analyses

**DISCLAIMER AND COPYRIGHT**
The opinions expressed in this document are the sole responsibility of the authors and do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© Cover image used under licence from Shutterstock.com
# CONTENTS

<table>
<thead>
<tr>
<th>LIST OF ABBREVIATIONS</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>5</td>
</tr>
<tr>
<td>1. SUMMARY OF THE PROCEEDINGS</td>
<td>6</td>
</tr>
<tr>
<td>Findings of the study</td>
<td>6</td>
</tr>
<tr>
<td>COVID-19 context</td>
<td>7</td>
</tr>
<tr>
<td>Q&amp;A Session</td>
<td>9</td>
</tr>
<tr>
<td>2. PROGRAMME</td>
<td>10</td>
</tr>
<tr>
<td>3. EVENT PRESENTATION SLIDES</td>
<td>11</td>
</tr>
<tr>
<td>REFERENCES AND FURTHER READING</td>
<td>23</td>
</tr>
</tbody>
</table>
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>AKZO</th>
<th>Case C-62/86, Akzo Chemie BV v Commission of the European Communities; ECLI:EU:C:1991:286</th>
</tr>
</thead>
<tbody>
<tr>
<td>BKartA</td>
<td>Bundeskartellamt (German Competition Authority)</td>
</tr>
<tr>
<td>CJEU</td>
<td>Court of Justice of the European Union</td>
</tr>
<tr>
<td>FSC</td>
<td>Full Service Carrier</td>
</tr>
<tr>
<td>LCC</td>
<td>Low Cost Carrier</td>
</tr>
<tr>
<td>O&amp;D</td>
<td>Origin &amp; Destination</td>
</tr>
<tr>
<td>TFEU</td>
<td>Treaty on the Functioning of the European Union</td>
</tr>
<tr>
<td>UCP</td>
<td>Unfair Commercial Practices</td>
</tr>
<tr>
<td>UCPD</td>
<td>Unfair Commercial Practices Directive</td>
</tr>
</tbody>
</table>
INTRODUCTION

The study presented at the event was provided to support the work of the Competition Working Group within the ECON committee. It aims to analyse the impact of unfair commercial practices (UCPs) on competition in the EU passenger air transport sector. The origins of the request for a study relate to citizens’ concerns and consumer dissatisfaction about conditions and pricing strategies applied by certain airlines. In some Member States, these concerns have also called national competition and consumer protection authorities to look into the contractual details of passenger air transport.

In its resolutions on the annual competition report of the European Commission, the European Parliament consistently calls on the Commission to tackle anti-competitive practices that also undermine consumer protection legislation. It has also called for the safeguarding of fair and effective competition between providers of airline transport and asked to investigate the hegemony enjoyed by low-cost carriers with specific regards to pricing patterns.

The study was carried out before the outbreak of the COVID-19 pandemic and the final study was published in April 2020. Due to the pandemic, the study was presented to the Members of the European Parliament in a virtual meeting on 11 June 2020. Since a webstream of the event is not available due to the extraordinary situation in the context of the pandemic, the present publication includes a summary of the proceedings and the presentation slides prepared by the authors to ease access to the research.

The authors of the original study are Francesco SCIAUDONE, Grimaldi Studio Legale, Kletia NOTI, Grimaldi Studio Legale, Hanna SCHEBESTA, Blue & Stars Legal Research, Francesca MORETTI, Grimaldi Studio Legale, Martina PIANTONI, Grimaldi Studio Legale, Rosaria ARANCIO, Grimaldi Studio Legale.

The study can be found under the following link: http://www.europarl.europa.eu/RegData/etudes/STUD/2020/642381/IPOL_STU(2020)642381_EN.pdf.

---


3 The event covered two competition policy studies, which were commissioned on request by the Competition Working Group of the ECON committee in the previous Parliament’s mandate. This publication covers the first part of the event, and a separate one is published for the second part.
1. **SUMMARY OF THE PROCEEDINGS**

Mr Luděk Niedermayer (MEP), Chair of the Competition Working Group of the ECON committee, chaired the study presentation event. In his welcoming remarks, he presented the speakers and the context of the study request. Professor Sciaudone presented the study on behalf the authors. In addition, Ms Arancio and Ms D’Andrea were available for the questions and answers (Q&A) session. Although Ms D’Andrea is not among the authors of the original study, she attended the event, in view of her significant involvement with the assessment of EU COVID-19 measures, in particular in the context of passenger rights in the air transport sector.

At the outset, Professor Sciaudone explained that the study captures the market conditions before the COVID-19 crisis, as the research for the study was completed in February 2020. However, his presentation during the event also provided an analysis of the updated context in view of the impact of the COVID-19 outbreak on the passenger air transport sector. In the context of the COVID-19 crisis, additional elements need to be considered:

- EU competition law and the state aid granted; and
- EU consumer law, in particular the passengers’ rights framework and the issues related to the restrictive policy on travel vouchers instead of refunds.

The policy implications for the passenger transport sector, in particular air transport, must be rethought in light of the current crisis.

**Findings of the study**

The analysis in the study focuses on two main subject areas: consumer laws and unfair commercial practices (UCPs), on the one hand, and competition law, in particular, predatory pricing, on the other.

Over the last decade, the passenger air transport market has changed significantly due to liberalisation of the sector and the entrance of low cost carriers (LCCs). The increasing and price-driven competition between the LCCs and the traditional full service carriers (FSCs) has affected market conditions and consumers, which in some cases have suffered as a result.

LCCs apply cost minimisation strategies using various business models. FSCs offer a range of pre-flight and on-board services, including different service classes and connecting flights (mostly based on hub and spoke model). Two main elements contribute to the setting of airfares: intertemporal price discrimination and dynamic adjustment to demand. Additional fees for services, which are not included in the airfare itself are a significant source of revenue for LCCs. The problem with such additional fees is that they are not always fully communicated to customers. Hence, consumers find it difficult to compare final prices.

Despite different existing legal provisions and various interventions, price transparency has remained one of the most important issues. Various consumer protection authorities have intervened to impose sanctions and fined airlines, especially LCCs, for UCPs related to air ticket fares (i.e. on the grounds of deceptiveness, weak transparency, inadequacy or outright lack of information about additional charges and fees). For example, the charges for hand luggage have been the most controversial ones, and are at the heart of the most recent and controversial case before the CJEU and the Italian Administrative Court.

A policy mix of the application of consumer law and competition law is necessary to protect consumers. There is a thin distinction line between aggressive commercial practices and predatory pricing strategies aimed at excluding competitors from the market (abusive conduct). Aggressive commercial
practices often include prices below the production cost, but from competition law point of view they could also be considered as competition on the merits depending on the circumstances (hence, not illegal).

Article 102 of TFEU provides the legal basis for a competition law assessment of potential predatory pricing strategies. Predatory pricing is a below-cost pricing practice or strategy, employed by an undertaking enjoying a dominant position in a relevant market, at loss-making levels in the short-term. The aim of such strategies is to foreclose current or potential competitors and then increase prices in the long term.

Proving predatory pricing is very difficult, in particular in the passenger air transport sector. So far, at EU level, there are no precedents finding predatory pricing in that sector. At the level of the Member States, the landmark case remains the 2002 Lufthansa case, in which the BKA found that Lufthansa squeezed out a competitor from a route. The main difficulties relate to the following:

- proving the airline’s dominant position: to do so, the definition of the relevant market is of the essence and is becoming increasingly complex, in particular due to the technological developments (i.e. the deployment of high-speed rail services); and

- determining the appropriate price-cost benchmark, and in many cases, the need to demonstrate intent to eliminate a competitor.

The results of the study remain of interest for the EP, despite the fact that the transport sector has been transformed by the COVID-19 pandemic. A relevant question is for example, whether the Commission’s approach to market definition in its competition analysis (i.e. the traditional O&D approach) is still fit for purpose or it needs to be updated.

COVID-19 context

The COVID-19 pandemic has dramatically affected the transport sector, especially the aviation sector. The effects are so substantial that we are seeing public support interventions in all Member States and at EU level. The Commission outlined support measures that are compatible with state aid rules, which may be adopted by Member States (e.g. the Commission Communication on Coordinated economic response to the COVID-19 Outbreak, Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, Overview of the State aid rules applicable to the air transport sector). There were many examples of recent state aid in the sector in Belgium, Finland, France, Sweden, Denmark, Germany and Portugal. Under the Temporary Framework, state aid can exceptionally be granted, even if rescue and restructuring aid was already received in the last 10 years.

The intersection and equilibrium between antitrust, state aid and consumer protection rules in the passenger transport sector have always been of interest, but now it is essential to understand the impact, as the balance has been reshuffled in the context of the pandemic.

---


The impact of state aid rules has to be analysed in this new context. Regarding the application of state aid rules, an important aspect to emphasise is that carriers supported by public money should not infer market behaviour that negatively affects consumers. At the same time, there is a question about fair treatment within the aviation sector. There were already disputes between LCCs and other air carriers - beneficiaries of state aid (e.g. in May 2020, Ryanair complained that such aid might distort competition between air carriers, which may indirectly affect consumers’ interests8).

This issue is not limited to the air transport, but it arises more broadly regarding the transport sector, for example, the railway sector. Some European rail-service operators are raising their voices against public support granted exclusively to the air transport sector to the detriment of other means of transport. As mentioned earlier, high-speed rail services face strong competition from LCCs on certain routes.

From a consumer protection point of view, the COVID-19 crisis brought further concerns. Particular example are the restrictive policies on refunds and vouchers with respect to cancellations due to the COVID-19 outbreak. The Spanish government proceeded with legal actions against 17 operators for not offering cash refunds. If a carrier has cancelled a trip, the offer of a voucher to replace the cash refund of the price of the ticket (without possibility of choice for the passenger) may constitute a violation of the Regulation on passenger rights (e.g. Regulation 261/2004) and/or a UCP.

The Commission provided clarifications on the application of consumer rights in the context of the pandemic (e.g. Interpretative Guidelines on EU passenger rights regulations9, Informal guidance on the application of the Package Travel Directive (Directive (EU) 2015/2302)10, Recommendation on vouchers11). It confirmed that passengers have the right to a full refund and that it is voluntary to accept a voucher instead.

Moreover, the Recommendation on vouchers states (recital 19) that “with the aim of making vouchers attractive to passengers or travellers, Member States might consider the adoption of schemes to support operators ... in line with Union State aid rules”, for example “dedicated guarantee schemes for vouchers directly based on Article 107(3)(b) TFEU”. Member States can also “support operators in the travel and transport sectors by granting de minimis aid in line with Commission Regulation (EU) No1407/2013”.

The Recommendation also states that Member States, which provide support schemes to ensure that reimbursement claims resulting from the COVID-19 pandemic are satisfied, “should ensure that such schemes apply to all passengers or travellers ... regardless of their service provider” (recital 20).

Looking ahead, some open questions remain:

- How will carriers’ pricing strategies be impacted post-COVID-19 crisis?
- Will refund/voucher policies be addressed as UCPs, as a violation of the regulations on passenger rights, or both?

---

• Should granting public support be conditional to fair commercial behaviour, which avoids UCPs and respects consumer and competition law?

• Should state aid measures be authorised, based on clear compliance programmes for carriers to strengthen the application of antitrust and consumer laws?

Q&A Session
The ensuing Q&A session covered the following:

• Impact of the COVID-19 related state aid, and in particular, the absence of coordination in public support response, on the air transport landscape, passengers’ rights and consumers more broadly;

• Implications of airports’ privatisation on competition, including some concerns about the possibility for collusion between airports and airlines about slot management and landing rights;

• Competition between train and air modes in passenger transport as well as impact of public interventions (state aid and policy response).
2. PROGRAMME

ECO...
3. EVENT PRESENTATION SLIDES

Policy Department for Economic and Scientific Policies
Economic and Monetary Affairs (ECON)
Competition Working Group

11 June 2020

The impact of unfair commercial practices on competition in the EU passenger transport sector, in particular air transport

Prof. Avv. Francesco Sciaudone
Founding and Managing Partner

Outline

- Study purpose
- Caveats and research limitations
- Outcome of the study
- Recent developments
- Open questions
Purpose of the study

- Understand the impact on competition in the EU’s passenger air transport sector of unfair commercial practices (UCPs) on the part of passenger air transport operators.

Caveat and research limitations

- **Caveat**: the study focuses on the market conditions prior to the Covid-19 outbreak.

- **Cut-off date**: February 2020.

- **New issues to be considered**:
  - EU competition laws: air (and, in general, other travel modes) transport operators’ financial difficulties have led to a “lax” application of EU competition rules (state aids).
  - EU consumer laws: clarifications of the framework applicable to passenger air transport (passenger rights).
  - Practical implications: new types of UCPs may be emerging (air operators’ restrictive policies on vouchers).
  - Policy implications: the policy implications for the transport sector (and, in particular, the air transport sector) must be rethought in the light of the current crisis.
Outcome of the study

Main Findings: general remarks

- The liberalisation of the EU passenger air transport market (started in 1984 and completed in 1997) has resulted in an increasing and price-driven competition in air transport led by low cost carriers (LCCs) and an increasing number of Unfair Commercial Practices (UCPs) mainly based on ticket prices (credit card surcharges, luggage fees, etc).

- The LCCs’ business model, based on very low fares to which they add several charges for services that were formerly considered to be included in the ticket (e.g. check-in luggage), impacts price transparency.

- Price-sensitivity and the changes in the air transport service (e.g. point-to-point configuration) are relevant for the definition of the relevant market.
Main Findings: impact of UCPs on consumers’ protection (1)

- Despite several legal provisions ensuring price transparency of air tickets (e.g. the Air Services Regulation) various consumer protection authorities have intervened to impose sanctions and fine airlines, especially LCCs, for UCPs related to air ticket fares (deceptiveness, weak transparency, inadequacy or outright lack of information about additional charges and fees).
- The general rules on UCPs provide effective tools for and rights to customers, and allow the competent authorities to tackle and limit the consequences of unfair pricing practices in the passenger air transport sector.

Main Findings: impact of UCPs on consumers’ protection (2)

- **Hand luggage charge** is one of the most recent and controversial: the CJEU ruled that hand luggage is an inevitable component of a passenger transport service. However, the question of the size of the hand luggage remains open. The Italian Administrative Court held that a charge for large hand luggage was compliant with the CJEU ruling, while the Spanish court found hand luggage essential and obliged companies to carry it without demanding an extra charge.

- **Further to Covid-19: restrictive policies on refund/vouchers:** e.g. on 3 June 2020 the Spanish government decided to pursue legal actions against 17 operators for failure to offer cash refunds to customers, imposing vouchers as only option for reimbursement. If a carrier has canceled a trip, the offer of a voucher to replace the cash refund of the price of the ticket (without possibility of choice for the passenger) may constitute a violation of the regulation on passenger rights (e.g. Regulation 261/2004) and/or a UCP.
Main findings: impact of UCPs on competition (1)

- Some pricing practices are the result of increased competition among LLCs and FSCs. Other pricing practices may amount to a violation of competition laws (in particular, Article 102 Treaty on the Functioning of the European Union, “TFEU”). There is a thin distinction line between aggressive commercial practices, which often include tickets below the production cost (which may amount to competition on the merits) and predatory pricing strategies aimed at excluding competitors from the market (which may amount to abusive conduct).

- Since predatory pricing is difficult to prove and requires a complex analysis of several elements (relevant market, dominance, comparison of pricing and costs and, in some cases, intent to eliminate a competitor) predatory pricing claims in passenger air transport have seldom been upheld.

- Several pricing strategies which may be unfair fall outside the scope of EU competition law.

Main findings: impact of UCPs on competition (2)

- In the Lufthansa case, the B KartA found Lufthansa liable for having abused its dominant position on the relevant market, the Frankfurt-Berlin route, by means of predatory pricing, having deliberately incurred in losses in order to squeeze out from the Frankfurt-Berlin route its main competitor. This is evidence that competition authorities are often prepared to intervene even when prices are lower in the short run, as the dominant firm can raise prices above the competitive level once it has driven the competitor out of the market. This would be detrimental to the interest of consumers in the long run. As a result, the B KartA also indirectly protected consumers with this prohibition decision.
Main findings: impact of UCPs on competition (3)

- Predatory pricing: Given both (a) the difficulty to prove a dominant position; and (b) the unsuitability of pricing benchmarks in the tests developed by the EU courts (such as AKZO) to the air transport sector, where calculation of fares is a complex exercise, predatory pricing claims have often been brought before competent competition authorities, but have seldom been upheld.

- Importance of market definition exercise: Is the Commission’s approach to market definition in its competition analysis (the traditional O&D approach in its merger decisional practice) still fit for the changes brought about by the high speed rail services technology era? Should it be updated?

Recent developments
Recent developments: the aviation market post-Covid-19 (1)

- The Commission has acknowledged that:
  - Covid-19 has dramatically affected the transport sector, especially the aviation market;
  - transports play a central role in the recovery of the European economy;
  - Member States need to support the transport sector through the adoption of aid measures.

- The Commission has therefore outlined support measures that are compatible with state aid rules that might be adopted by Member States (e.g. Communication C(2020) 112 final, Temporary Framework, Overview of the State aid rules applicable to the air transport sector). State aid under Framework can exceptionally be granted even if rescue and restructuring aid was received in the last 10 year.

Recent developments: the aviation market post-Covid-19 (2)

- Aid measures/schemes to be granted according to the Commission’s Temporary Framework (Article 107(3)(b) TFEU):
  - Direct grants, selective tax advantages or advance payments (Max. 800,000 €);
  - State guarantees for investments and working capital loans;
  - Subsidised public loans to companies;
  - Safeguards for banks that channel state aid to the real economy;
  - Deferring tax and/or social security contributions:
  - Wage subsidies for employees to avoid lay-offs;
  - Equity and/or hybrid capital instruments.

- Compensation to companies for damages caused by the Covid-19 outbreak including lost revenues (Article 107(2)(b) TFEU). State aid under Article 107(2)(b) TFEU can be granted to undertakings that have received aid under the Rescue and Restructuring Guidelines (the principle of ‘one time last time’ does not apply).
Examples of state aid in the air transport sector under the Temporary Framework (1)*

- Decisions on state aid authorised under Article 107(3)(b) TFEU:
  - **Belgium**: Walloon airports - deferral payment measure of concession fees.
  - **Finland**: state guarantee on €600 million loan granted to Finnair by pension fund. Finnair recapitalisation by subscribing new shares in an amount of €286 million, corresponding to its current shareholding level.
  - **France**: aid measure (state guarantee on loans, subordinated shareholder loan) to support Air France.
  - **Sweden**: guarantee scheme to support affected airlines.

*: Until 4 June 2020.

 Other examples of state aid in the air transport sector under the Temporary Framework (2)*

- Decisions on state aid authorised under Article 107(2)(b) TFEU:
  - **Denmark**: State Guarantee to Scandinavian Airlines (SAS).
  - **France**: deferral payment scheme of taxes to compensate damages suffered by airlines.
  - **Germany**: State public loan to the airline Condor.
  - **Sweden**: aid measure to Scandinavian Airlines (SAS) for the damage suffered.

- Other recent Decision: **Portugal**: €1.2 billion rescue loan in favour of Transportes Aéreos Portugueses SGPS S.A. (measure assessed by the Commission under its Guidelines on rescue and restructuring).

*: Until 4 June 2020.
Implications for consumer policy of «relaxed» application of state aid laws (1)

- **Strict conditions attached to aid to ensure that any measures are fair to the aviation industry in particular; and the transport industry in general.**

- **Disputes between LLCs and other air carriers beneficiaries of state aid:** On May 2020, LLC operators, such as Ryanair, complain that they are not beneficiaries and that competition among air transport operators may be distorted as a result (see Lufthansa saga): this may indirectly negatively impact consumers.

---

Implications for consumer policy of «relaxed» application of state aid laws (2)

- **Some European rail service operators are raising their voices against public support granted exclusively to the air transport sector to the detriment of other means of transport.** High speed rail services face strong competition from low-cost airlines over certain routes (see ease study on market definition).

- **Strict conditions to ensure that consumer protection laws are not bypassed by the aided operators, to the detriment of consumers (see infra).**
Recent developments: Guidance from the Commission on the interpretation of some EU passenger rights rules

- Commission Notice “Interpretative Guidelines on EU passenger rights regulations in the context of the developing situation with Covid-19” (March 2020)
  - Page 3: “The EU’s passenger rights regulations do not address situations where passengers cannot travel or want to cancel a trip on their own initiative”. Trip can be canceled by passengers or by air carrier: in the former case, “Passengers can use these vouchers for another trip with the same carrier within a timeframe established by the carrier”. In the latter case, “If the carrier proposes a voucher (instead of choice between reimbursement and re-routing), this offer cannot affect the passenger’s right to opt for reimbursement instead”. Hence, passenger has choice between cash reimbursement and reimbursement in the form of a voucher.

Clarifications on the EU Package Travel Directive as a result of the Covid-19 outbreak (1)

  - Commission confirms passenger has a right to get a full refund, but also states that it is possible for the traveller to accept a voucher.

  - Directive provides that “if a package trip is cancelled due to “unavoidable and extraordinary circumstances”, travelers have the right to get a full refund of any payments made for the package (Article 12(2)), without undue delay and in any event within 14 days after termination of the contract (Article 12(4)):
  - Recommendation C(2020) 3125: in the words of the Commission, “The organiser may offer the traveler reimbursement in the form of a voucher. However, this possibility does not deprive the travelers of their right to reimbursement in money” (para. 9).
Clarifications on the EU Package Travel Directive as a result of the Covid-19 outbreak
(2)

- **Recommendation C(2020) 3125 final on vouchers:**
  - Para. 19: Member States could set up dedicated guarantee schemes for vouchers directly based on Article 107(3)(b) TFEU. Member States could support operators in the travel and transport sectors by granting *de minimis aid* in line with Commission Regulation (EU) No 1407/2013.
  - Para. 20: Member States that provide support to operators in the travel and transport sectors to ensure that reimbursement claims resulting from the Covid-19 pandemic are satisfied, should ensure that such schemes apply to all passengers or travelers covered by the Package Travel Directive (or the relevant Union passenger rights Regulations), regardless of their service provider.

Clarifications on the EU Package Travel Directive as a result of the Covid-19 outbreak
(3)

- **Recommendation C(2020) 3125 final on vouchers:**
  - Para. 22: Member States may decide to ensure “that reimbursement claims caused by the Covid-19 outbreak are satisfied with a view to ensuring the protection of passenger and consumer rights, and equal treatment of passengers and travelers”.
  - Para. 23: “the Commission will take account of decisions granting aid to the aviation sector already taken by Member States, to ensure that additional aid to the same beneficiaries does not result in overcompensation”.
  - Pt. 16: “Member States should actively consider setting up guarantee schemes for vouchers to ensure that in the event of insolvency of the issuer of the voucher, passengers or travelers are reimbursed.”
Open questions

- How will pricing strategies be impacted post-Covid-19?

- The recent refund/vouchers restrictive policies should be addressed as UCP, as violation of EU regulation on passenger rights or as both?

- Should the economic situation and the risk of insolvency of operators influence the interpretation of UCP, especially during Covid-19 outbreak (need for flexibility)?

- How to rethink consumer protection policy to ensure that state aid conferred to air transport operators does not result in distortions of competition which may (directly or indirectly) affect consumers?
REFERENCES AND FURTHER READING


The study presented in the event aims at identifying and analysing the unfair commercial and trading practices in passenger air transport that not only are detrimental to consumers, but which can also distort competition in the Single Market. Moreover, the discussion during the event also covered competition and consumer protection aspects that arise in the context of the COVID-19 pandemic.

These proceedings of the study presentation were prepared by the Policy Department for Economic, Scientific and Quality of Life Policies at the request of the committee on Economic and Monetary Affairs (ECON).