# Airline Insolvency Review
# Final Report

## Summary of stakeholder engagement

**March 2019**

© Crown copyright 2019

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos or third-party material) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

# Contents


| | | |
|---|---|---|
| 1 | Introduction | 4 |
| 2 | Call for Evidence | 5 |
| 3 | Public Evidence Session | 7 |
| 4 | Stakeholder Workshop | 9 |
| 5 | Meetings with stakeholders | 13 |
| 6 | Expert Advisory Panel | 19 |

# 1. Introduction

1.1 This document is a record of the stakeholder engagement undertaken by the Airline Insolvency Review as part of its work in producing a report for the Secretary of State for Transport.

1.2 Stakeholder engagement was a critical part of the Review's evidence gathering, and the team sought to facilitate a wide range of opportunities for stakeholders and interested parties to engage as the Review progressed.

# 2. Call for Evidence

2.1 A Call for Evidence was launched in April 2018. The Call for Evidence formed part of the initial engagement and evidence gathering undertaken by the Review team ahead of the publication of the Interim Report in July 2018.

2.2 Table 1 sets out those organisations and individuals that made submissions in reply to the Call for Evidence.

**Table 1: Organisations and individuals who made submissions to the Call for Evidence**

| | Stakeholder |
|---|---|
| 1. | The Association of ATOL Companies (AAC) |
| 2. | Association of British Insurers |
| 3. | ABTA |
| 4. | Airlines UK |
| 5. | Air Travel Insolvency Protection Advisory Committee (ATIPAC) |
| 6. | The Association of Independent Tour Operators (AITO) |
| 7. | Board of Airline Representatives in the UK (BAR UK) |
| 8. | Civil Aviation Authority |
| 9. | Colin Pollard |
| 10. | Consumer Council |
| 11. | DLA Piper |
| 12. | dnata Travel UK |
| 13. | easyJet |
| 14. | Flight Directors |
| 15. | HC Travel |
| 16. | Heathrow Community Engagement Board |
| 17. | International Airlines Group (IAG) |
| 18. | International Air Transport Association (IATA) |
| 19. | Insolvency Lawyers Association |
| 20. | Jonathan Hinkles |
| 21. | Loganair |
| 22. | Mike Smith |
| 23. | MPI Brokers |
| 24. | Norwegian Air |
| 25. | R3 |
| 26. | Renan & Alessandro Oliveira |

| | |
|---|---|
| 27. | Simon Calder |
| 28. | Thomas Cook Group |
| 29. | TUI |
| 30. | UK Finance |
| 31. | UK National Contact Group for Legal Advisory Panel |
| 32. | Willis Towers Watson |
| 33. | Worldpay |

# 3. Public Evidence Sessions

3.1 Following the Call for Evidence, two Public Evidence Sessions were held. The first was in Manchester on 4 June 2018 and the second on the 7 June 2018 in London. Both events were advertised via the Department for Transport website, and were open to all to attend.

3.2 Tables 2 and 3 sets out those stakeholders who attended each session.

3.3 Stakeholder feedback from both the Call for Evidence and the two Public Evidence Sessions fed into the drafting of both the Interim Report, which was published in July 2018, and the Final Report.

**Table 2: Attendees at Public Evidence Session, 4 June 2018 Manchester**

| | Stakeholder |
|---|---|
| 1. | dnata Travel |
| 2. | Thomas Cook |
| 3. | The Travel Company Edinburgh |
| 4. | LowdexxAviation Ltd |
| 5. | European Regions Airline Association (ERA) |

**Table 3: Attendees at Public Evidence Session, 7 June 2018 London**

| | Stakeholder |
|---|---|
| 1. | Association of British Insurers (ABI) |
| 2. | Advantage Travel Partners |
| 3. | AGB Associates |
| 4. | Airport Operators Association (AOA) |
| 5. | Air Travel Insolvency Protection Advisory Committee (ATIPAC) |
| 6. | BAR UK |
| 7. | Clifford Chance |
| 8. | Deloitte |
| 9. | DLA Piper |
| 10. | easyJet |
| 11. | ERA |
| 12. | Flight Directors |
| 13. | International Airlines Group (IAG) |
| 14. | International Passenger Protection (IPP) London |
| 15. | James Villa Holidays |

| | |
|---|---|
| 16. | Jardine Lloyd Thompson Group (JLT) |
| 17. | Lloyds Banking |
| 18. | Norwegian Air |
| 19. | Political-Intelligence |
| 20. | Sunvil Group |
| 21. | Thomas Cook |
| 22. | Travel Weekly |
| 23. | TwoBirds |
| 24. | Willis Towers Watson |

# 4. Stakeholder Workshop

1.3 Following publication of the Interim Report, five stakeholder workshops were held. Figure 1 below summarises the date and focus of each workshop. A list of those stakeholders who attended each of the workshops can be found in Tables 4 to 8. The purpose of the stakeholder workshops was two-fold. Firstly, to give stakeholder a further opportunity to engage with the review team. Secondly, to allow the Review team to test its thinking ahead of the publication of the Final Report in a topic specific environment.

**Figure 1: Airline Insolvency Review Stakeholder Workshops**

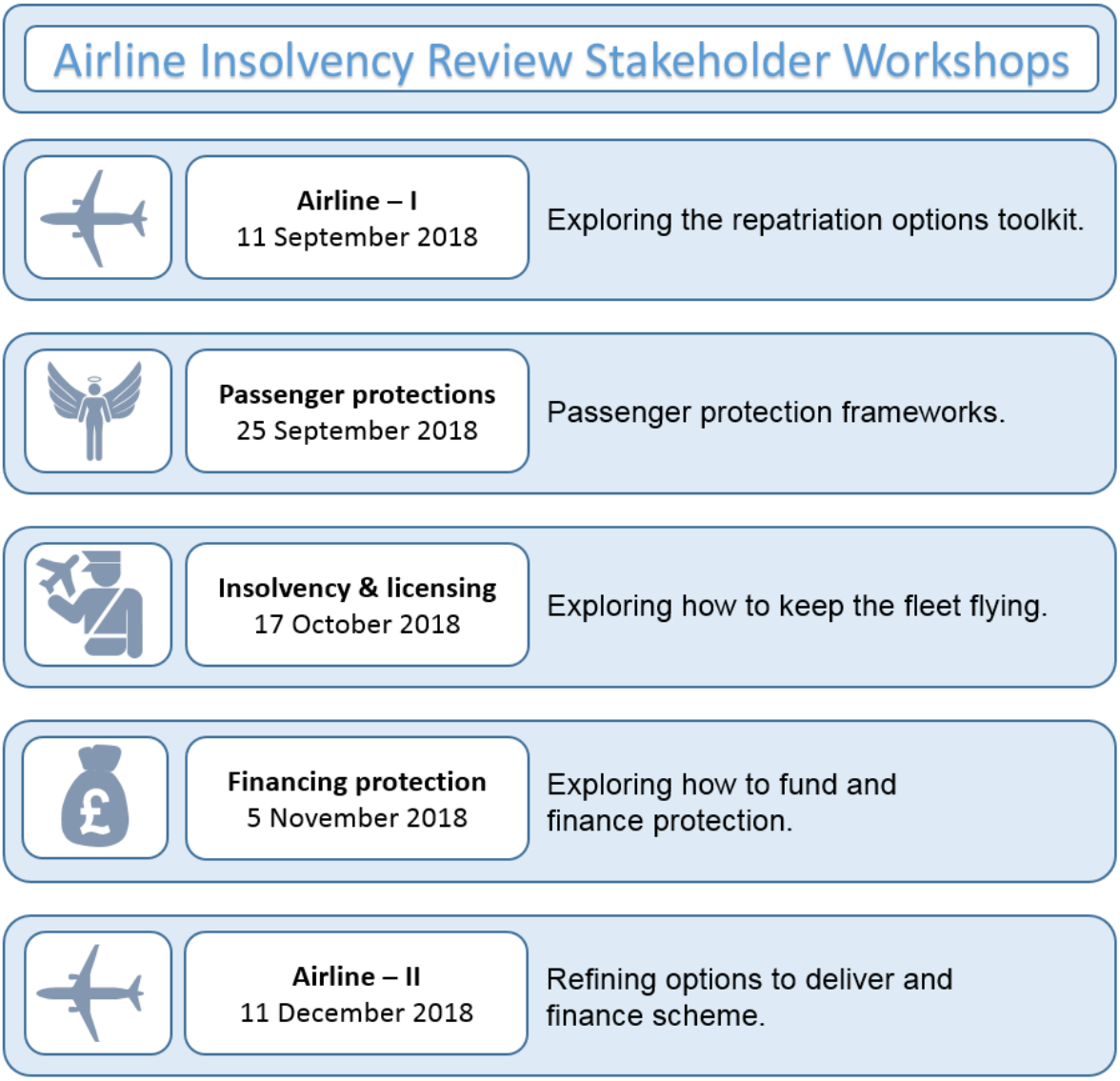

**Table 4: Attendees at the Stakeholder Workshop on Airline Insolvency - Repatriation 11 September 2018**

| | Stakeholders |
|---|---|
| 1. | Airlines UK |
| 2. | BAR UK |
| 3. | China Southern Airlines |
| 4. | El Al Airlines |
| 5. | European Regional Airlines Association (ERA) |
| 6. | EVA Air |
| 7. | International Airlines Group (IAG) |
| 8. | International Air Transport Association (IATA) |
| 9. | Jet Airways |
| 10. | Norwegian Air |
| 11. | Royal Air Maroc |
| 12. | Thomas Cook |
| 13. | Titan Airways |
| 14. | TUI |
| 15. | United Airlines |
| 16. | Vietnam Airlines |
| 17. | Virgin |

**Table 5:- Attendees at the Stakeholder Workshop on Passenger Protection, 25 September 2018**

| | Stakeholders |
|---|---|
| 1. | Association of British Insurers (ABI) |
| 2. | ABTA |
| 3. | Airlines UK |
| 4. | BAR UK |
| 5. | Barclaycard |
| 6. | CAA |
| 7. | Collins Group |
| 8. | ERA |
| 9. | IATA |
| 10. | Lloyds |

| | |
|---|---|
| 11. | Steer |
| 12. | TISN |
| 13. | Travel & General Insurance Services Limited |
| 14. | Worldpay |

In addition, Walter Merricks and John Cox from the Expert Panel also attended.

**Table 6:- Attendees at the Stakeholder Workshop on Insolvency and Licencing, 17 October 2018**

| | Stakeholders |
|---|---|
| 1. | ABTA |
| 2. | Airlines UK |
| 3. | Airport Operators Association (AOA) |
| 4. | Archway Aviation |
| 5. | Avolon |
| 6. | CAA |
| 7. | Deloitte |
| 8. | IATA |
| 9. | Insolvency Service |
| 10. | KPMG |
| 11. | Norton Fulbright Rose |
| 12. | Reed Smith |

In addition, Andre Cohen from the Expert Panel also attended.

**Table 7:- Attendees at the Stakeholder Workshop on Commercial Financial Options, 5 November 2018**

| | Stakeholders |
|---|---|
| 1. | ABI |
| 2. | ABTA |
| 3. | Airlines UK |
| 4. | Barclaycard |
| 5. | Barclays |

| | |
|---|---|
| 6. | ERA |
| 7. | IATA |
| 8. | Lloyds |
| 9. | Steer |
| 10. | Tokio Marine HCC |
| 11. | Towergate |
| 12. | Travel & General Insurance Services Limited |
| 13. | Travelers |
| 14. | TUI |
| 15. | UK Finance |
| 16. | Willis Towers Watson |
| 17. | Worldpay |

**Table 8:- Attendees at the Stakeholder Workshop on Airline Insolvency, 11 December 2018**

| | **Stakeholders** |
|---|---|
| 1. | ABTA |
| 2. | BAR UK |
| 3. | easyJet |
| 4. | IAG |
| 5. | IATA |
| 6. | Norwegian Air |
| 7. | Thomas Cook |
| 8. | TUI |
| 9. | UK Airlines |
| 10 | United |

In addition John Strickland from the Expert Panel also attended.

# 5. Meetings with stakeholders

5.1 Through the review the team and the chair, Peter Bucks, have undertaken one-to-one meetings with stakeholders. These are listed in Table 9 and highlight the range of stakeholders that the team met with in the course of the review.

**Table 9: List of Meetings with External Stakeholders**

| Date | Stakeholders | Topics Covered | AIR Attendance |
|---|---|---|---|
| **2018** | | | |
| **February** | | | |
| 07 | Civil Aviation Authority (CAA) | Scope and TOR of Review, ways of working between CAA and AIR | AIR staff, Peter Bucks |
| **March** | | | |
| 06 | Airlines UK | Scope and TOR of Review | AIR staff, Peter Bucks |
| 13 | John Strickland (Independent Aviation Consultant) | Scope and TOR of Review | AIR staff |
| 13 | ABTA | Scope and TOR of Review | AIR staff, Peter Bucks |
| 23 | European Regional Airlines Association (ERA) | Scope and TOR of Review | AIR staff |
| **April** | | | |
| 12 | Airlines UK | Scope and TOR of Review, Call for Evidence | AIR staff, Peter Bucks |
| 16 | UK Finance's Travel Failures Expert Group | Scope and TOR of Review, Call for Evidence | AIR staff |
| 18 | CAA & Reed Smith | The Air Travel Trust | AIR staff, Peter Bucks |
| 23 | Association of British Insurers | Update on Review, insolvency risks and insurance | AIR staff |
| 25 | Airlines UK | Update on the Review | AIR staff |
| 27 | Thomas Cook | Update on the Review | AIR staff |

| | | | |
|---|---|---|---|
| **May** | | | |
| 03 | UK Finance Executive Council | Update on the Review, Call for Evidence | AIR staff, Peter Bucks |
| 03 | Air Travel Insolvency Protection Advisory Committee (ATIPAC) | Update on the Review, Call for Evidence | AIR staff, Peter Bucks |
| 03 | CAA | Update on the Review, Call for Evidence | AIR staff |
| 08 | CAA Consumer Panel | Update on the Review, Call for Evidence | AIR staff, Peter Bucks |
| 10 | Airport Operators Association | Update on the Review | AIR staff, Peter Bucks |
| 11 | CAA | Update on the Review | Peter Bucks |
| 15 | Simon Calder - Travel Journalist and commentator | Update on the Review | AIR staff |
| 17 | Aviation Working Group (AWG) / Norton Rose Fulbright | Update on the Review | AIR staff, Peter Bucks |
| 22 | Association of British Insurance | Update on the Review | AIR staff, Peter Bucks |
| 22 | Willis Towers Watson | Update on the Review, Call for Evidence | AIR staff, Peter Bucks |
| 29/30 | German Federal Ministry of Transport and Digital Infrastructure (BMVI) in Bonn, and the Federal Ministry of Justice and Consumer Protection (BMJV) in Berlin | The German approach to consumer protection and response to the collapse of Air Berlin | AIR staff |
| **June** | | | |
| 05 | ABTA | Update on the Review, Interim Report | AIR staff, Peter Bucks |
| 05 | easyJet | Update on the Review | AIR staff, Peter Bucks |
| 06 | Expedia | Update on the Review | AIR staff |
| 06 | CAA | Update on the Review, and airline licensing | AIR staff |
| 06 | Jardine Lloyd Thompson Group (JLT) | Update on the Review | AIR staff |
| 11 | ABTA conference | Speaking slot at ABTA conference to discuss AIR | AIR staff |
| 13 | DG Move at European Commission | Update on AIR | AIR staff |
| 15 | CAA | Speaking slot at CAA meeting with foreign enforcement bodies on AIR | AIR staff |

| | | | |
|---|---|---|---|
| 20 | International Passenger Protection (IPP) | Update on the Review | AIR staff |
| 21 | MoneySavingExpert | Update on the Review | AIR staff, Peter Bucks |
| 27 | ABTA | Speaking slot at Annual Travel Matters Conference to update on the Review | Peter Bucks |
| **July** | | | |
| 03 | CAA | Update on the Review | AIR staff, Peter Bucks |
| 03 | Thomas Cook | Update on the Review | AIR staff, Peter Bucks |
| 04 | Pension Protection Fund (PPF) | Update on the Review | AIR staff |
| 06 | Association of British Insurers | Update on the Review | AIR staff, Peter Bucks |
| 06 | ABTA & Willis Towers Watson | BEIS approved bodies and the bonding and reserve fund (captive) model | AIR staff, Peter Bucks |
| 09 | Financial Services Compensation Scheme (FSCS) | Discuss Financial Service Compensation Scheme levy | AIR staff |
| 10 | Financial Conduct Authority (FCA) | Insurance | AIR staff |
| 12 | Beaumont International Aerospace Conference | Speaking slot on AIR at Conference | AIR staff, Peter Bucks |
| 16 | Lloyd's Market Association | Update on the Review | AIR staff, Peter Bucks |
| 17 | CAA | Update on the Review | AIR staff |
| 19 | Sunvil Holidays/ Travel Trade | Update on the Review | AIR staff |
| 19 | CAA | Update on the Review | AIR staff |
| 24 | CAA | Feedback on Interim Report | AIR staff, Peter Bucks |
| 25 | FCA | Update on the Review | AIR staff |
| 26 | CAA & Reed Smith | Air Berlin insolvency | AIR staff |
| 30 | CAA | Update on the Review | Peter Bucks |
| 30 | Lloyds | Update on the Review | AIR staff |
| 30 | Zurich | Update on the Review | AIR staff |
| **August** | | | |
| 01 | Lloyd's Market Association | Update on the Review | AIR staff |
| 02 | Vantage Underwriting | Update on the Review | AIR staff |
| 02 | Advantage Financial Services | Update on the Review | AIR staff |
| 03 | Correlation.eu | Update on the Review | AIR staff |
| 07 | Lloyds | Update on the Review | AIR staff |
| 09 | Themis Advisory | Update on the Review | AIR staff |

| | | | |
|---|---|---|---|
| 14 | Airlines UK | Update on the Review | AIR staff |
| 14 | ABTA | Update on the Review | Peter Bucks |
| 14 | R3 | Update on the Review | AIR staff, Peter Bucks |
| 15 | BAR UK | Update on the Review | AIR staff |
| 21 | Luton Airport | Update on the Review | AIR staff, Peter Bucks |
| 21 | EasyJet | Update on the Review | AIR staff, Peter Bucks |
| 21 | TUI | Update on the Review | AIR staff, Peter Bucks |
| 22 | IATA | Rescue fares | AIR staff |
| 24 | ABTA | Update on the Review | AIR staff |
| 28 | Airlines UK | Update on the Review | AIR staff, Peter Bucks |
| 28 | Travel & General Insurance Services Limited | Update on the Review | AIR staff, Peter Bucks |
| **September** | | | |
| 04 | CAA, British Business and General Aviation Association (BBGA), Aircraft Owners and Pilots Association (AOPA) | General and Business Aviation Strategic Forum (GBASF) | AIR staff |
| 04 | Titan Airways | Update on the Review | AIR Staff |
| 06 | Lloyds Bank | Update on the Review | AIR staff, Peter Bucks |
| 11 | Airlines for Europe | Update on the Review | AIR staff |
| 12 | CAA | Aviation safety approach | AIR staff |
| 12 | Vantage Underwriting | Update on the Review | AIR staff, Peter Bucks |
| 14 | Association of British Insurers (ABI) | Update on the Review | AIR staff |
| 17 | CAA Consumer Panel | Update on the Review, Interim Report | AIR staff, Peter Bucks |
| 20 | Barclays | Update on the Review | AIR staff, Peter Bucks |
| 21 | Thomas Cook | Update on the Review | AIR staff |
| 25 | CAA | Update on the Review | AIR staff |
| 26 | DLA Piper | Update on the Review | AIR staff |
| 28 | PayPal | Update on the Review | AIR staff |
| **October** | | | |
| 03 | CAA | Update on the Review | AIR staff, Peter Bucks |
| 03 | CAA/GAD/Steer | ATOL | AIR staff, Peter Bucks |
| 04 | CAA/GAD/Steer | Credit ratings | AIR staff, Peter Bucks |
| 10 | TUI | Update on the Review | AIR staff, Peter Bucks |

| | | | |
|---|---|---|---|
| 11 | IAG | Update on Review | AIR staff |
| 17 | Defaqto | Update on Review/insurance cover analysis | AIR staff |
| 25 | ABTA | ABTA finance protection | AIR staff |
| **November** | | | |
| 01 | Ryanair | Discussion on repatriation and funding options | AIR staff |
| 01 | Department of Transport, Tourism and Sport (Government of Ireland) / Commission for Aviation Regulation Ireland | Economic licencing and financial | AIR staff |
| 02 | Civil Aviation Authority of Norway | Cooperation between UK and other regulators/foreign airlines | AIR staff, Peter Bucks |
| 05 | Moody's, CAA, ICF | Credit ratings | AIR staff |
| 08 | Jet2 | Update on the Review | AIR staff |
| **December** | | | |
| 03 | Towergate | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD, Steer |
| 04 | Worldpay | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD, Steer |
| 04 | Direct Line | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD, Steer |
| 05 | UK Finance | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD, Steer |
| 05 | Willis Towers Watson | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD, Steer |
| 06 | Lloyds | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD |
| 10 | Lloyds | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD, Steer |
| 17 | Barclays | Market appetite for passenger protection and funding repatriation operations | AIR staff, GAD |
| 17 | Seabury Consulting | Update on Review | AIR staff |

| 2019 | | | |
|---|---|---|---|
| **January** | | | |
| 10 | Trailfinders | Update on Review | AIR staff, Peter Bucks |
| 24 | IAG | Update on Review | AIR staff, Peter Bucks |
| **February** | | | |
| 06 | Defaqto | Update on Review | AIR staff |
| 07 | Thomas Cook Group | Update on Review | AIR staff, Peter Bucks |
| 28 | Foreign Airlines Association | Update on Review | Peter Bucks |
| **March** | | | |
| 01 | European Regional Airlines Association | Update on Review | AIR staff |

**UK Government:** Regular bilateral meetings and discussions took place between the AIR team and representatives of the Department for Transport, HM Treasury, the Government Actuary's Department, and the Insolvency Service. Discussions also took place with other government stakeholders, including the Cabinet Office, Department for Business, Energy and Industrial Strategy, Department for Work and Pensions, the Foreign and Commonwealth Office, the Markets and Competition Authority, and UK Export Finance.

# 6. Expert Advisory Panel

6.1 Alongside the stakeholder engagement set out in this document, the Review also drew upon an Expert Advisory Panel. This was to provide a sounding board for the Review team as they developed their thinking and recommendations for the Final Report.

6.2 Membership of the Expert Advisory Panel was by application, based on criteria set out in an advertisement placed on the Department for Transport website. In appointing members to the Panel the Review Team sought to ensure a wide range of independent expert views from the airline, insurance, financial and legal sectors.

6.3 Table 10 lists the members of the Expert Advisory Panel and their attendance at the three meetings that were held. In addition, individual members of the Panel also participated in workshops and meetings and provided advice when required throughout the Review.

**Table 10: Members of the Expert Advisory Panel and attendance at the Panel Meetings**

| | Meetings attended | | |
|---|---|---|---|
| **Name** | **31/08/18** | **22/11/18** | **18/01/19** |
| Harry Bush CB | *via phone* | Y | Y |
| Andre Cohen | Y | *via phone* | Y |
| John Cox OBE | Y | Y | Y |
| Kenneth Gray | Y | Y | Y |
| Joanna Kolatsis | Y | *via phone* | Y |
| Walter Merricks CBE | N | Y | Y |
| Mike Pink FCA | N | Y | Y |
| John Strickland | Y | Y | Y |