



# The Report of the Air Travel Complaints Commissioner



Canadian  
Transportation  
Agency

Canada 

# ***Canada Transportation Act (s.85.1)***

## ***Designation***

*85.1 (1) The Minister shall designate a temporary member to act as the Air Travel Complaints Commissioner for the purposes of this section.*

## ***Filing of complaints***

*(2) A person shall file in writing with the Air Travel Complaints Commissioner a complaint against a licensee in respect of its air service if the person made the complaint to the licensee and the complaint was not resolved to the person's satisfaction.*

## ***Review and mediation***

*(3) The Commissioner, or person authorized to act on the Commissioner's behalf, shall review and attempt to resolve every complaint filed under subsection (2) for which no other remedy exists and may, if appropriate, mediate or arrange for the mediation of a complaint filed under that subsection.*

## ***Production of documents***

*(4) On request by the Commissioner or a person authorized to act on the Commissioner's behalf, a person shall produce for examination by the Commissioner any document, record or thing that is in the possession or under the control of the person and is, in the opinion of the Commissioner, relevant to a complaint.*

## ***Report to Parties***

*(5) The Commissioner or a person authorized to act on the Commissioner's behalf shall provide to the parties a report that outlines their positions and any settlement that they reached.*

## ***Publicly available report***

*(6) The Commissioner shall, at least semi-annually, prepare a report to the Governor in Council through the Minister setting out the number and nature of complaints filed under subsection (2), including the names of the licensees against whom the complaints were made and describing the manner in which they were dealt with and any systemic problems observed. The Agency shall include the Commissioner's report in its annual report.*

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**Hull, Québec K1A 0N9**



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Commissaire aux plaintes  
relatives au transport aérien

Air Travel  
Complaints Commissioner

March 2001

The Honourable David M. Collenette, P.C., M.P.  
Minister of Transport  
Transport Canada Building - Place de Ville  
330 Sparks Street  
Ottawa, Ontario K1A 0N5

Dear Minister:

Pursuant to section 85.1 of the *Canada Transportation Act*, I have the honour of presenting to you the 1st Report of the Air Travel Complaints Commissioner for the period of July 5, 2000 to December 31, 2000.

Yours sincerely,

A handwritten signature in black ink that reads "Bruce Hood".

Bruce Hood  
Commissioner

Encl.

## COMMISSIONER'S MESSAGE

We've all been there, staring in disbelief at the departure monitor at an airport as the intolerable 'Cancelled' suddenly appears and replaces the merely irritating 'Delayed.' Many of us have also found ourselves at the end of a long line-up at the check-in counter with only minutes to spare until our flight; or in the middle seat examining our knees as an unsmiling flight attendant hurries past with a tray full of plastic-covered meals we don't quite recognize. Or at the baggage carousel as bag after bag emerges, but never the one we own. And we certainly all have been on the end of a telephone, attempting to get through on a line and then listening to the same "Please hold" recording over and over and over.

We've all been there too when a reservations agent answers our call in minutes and finds not only the right flight but also the right fare. Or on board a clean and well-staffed aircraft, transfixed by the sight of the snow-tipped Rockies or the blue Atlantic, another world below. Heading home, on time and in comfort, to be greeted at the baggage carousel by the familiar sight of our luggage, every single piece of it intact.

All told, Canadians who fly a lot have had many more good experiences with air travel than bad. But that doesn't make the bad bearable. Nor is it any excuse for air carriers operating in Canada to tally up all the flights that passed without incident, or the tickets that were booked without fuss, and stack them up in their defence against the times their passengers felt aggrieved. Canadians simply deserve better.

Six months ago, I accepted the position as Air Travel Complaints Commissioner because I believed I could make a difference. Not only would I be able to resolve disputes between air travellers and carriers, but by doing so I would also do my part to help improve the quality of air service in Canada.

In my 21 years of experience as a referee with the National Hockey League, I learned that it is often wise to let two players of equal size work off a little steam before officials step in to break up a fight. But when a smaller player tangles with a much larger opponent you do everything you can, as soon as you can, to stop the lopsided skirmish before it gets much worse. Back then, it was my job as referee to apply the rules but it was also my job to make the playing surface as level as possible.

In the last year or so, many Canadian air travellers have had good reason to feel like they were up against a much more powerful force, in a fight that was far from even. The restructuring of the Canadian airline industry has come at a price, and many consumers caught in the middle felt that they were the ones paying the largest chunk of it, certainly when it came to the quality of service they received for their money.

When you talk about air travel in Canada, you talk about Air Canada. That's a given, since it is the single most dominant air carrier in the country. The acquisition by Air Canada of Canadian Airlines and the disruptions that developed from it figured prominently in the letters and complaints I received during my first six months as Commissioner. No one could ignore the concerns that the purchase sparked among Canadians, especially those who believed that they were losing the only option they had to take their air travel business elsewhere.

Much has changed in the air travel environment since then. New carriers have emerged to fill the void; established carriers have expanded to push the competitive envelope. But problems involving customer service in the industry still exist, and need to be fixed.

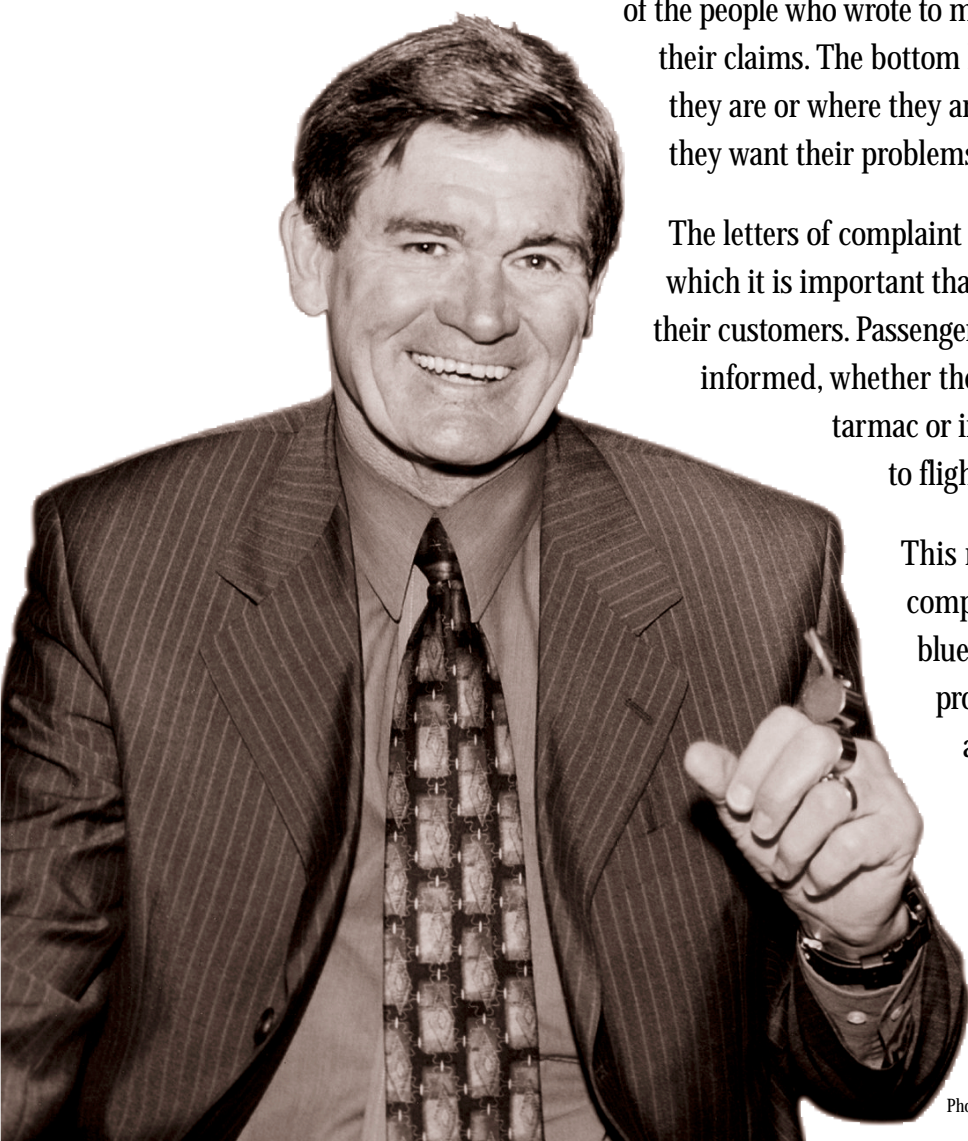
After 15 years in the travel agency business, I appreciate how much it means to people to feel they have some control over their travel plans. Passengers don't want to think twice about whether they will arrive at their business meeting or holiday destination on time or hours too late. Nor do they want to wonder what psychological or physical toll their trip will have taken by the time they get there.

A while ago, I had a message from an elderly couple who told me how devastated they were months after encountering a rude airline employee at the check-in counter as they were leaving on a long-awaited vacation. The experience tarnished their entire trip and lingered long after they returned. Another person who wrote a letter of thanks after a particularly arduous exchange of letters between he, my office and an air carrier noted in a rather plaintive postscript, "I really only wanted a letter of apology in the beginning."

By reputation Canada is not a nation of complainers. For most of us, it takes a lot to push our backs against the wall and make us spend precious hours of our time meticulously detailing how we think we've been wronged, or how we think things should be. Certainly most of the people who wrote to me put a lot of effort into substantiating their claims. The bottom line is that people, no matter who they are or where they are from, usually complain because they want their problems acknowledged and fixed.

The letters of complaint point out many circumstances in which it is important that air carriers communicate more with their customers. Passengers want and need airlines to keep them informed, whether they are at the airport, in a plane on the tarmac or in the air, especially if there are delays to flight schedules.

This report is not merely a litany of complaints. It is instead the making of a blueprint, one that I hope will lead to improvements to the quality of service in the air travel industry that will benefit all.

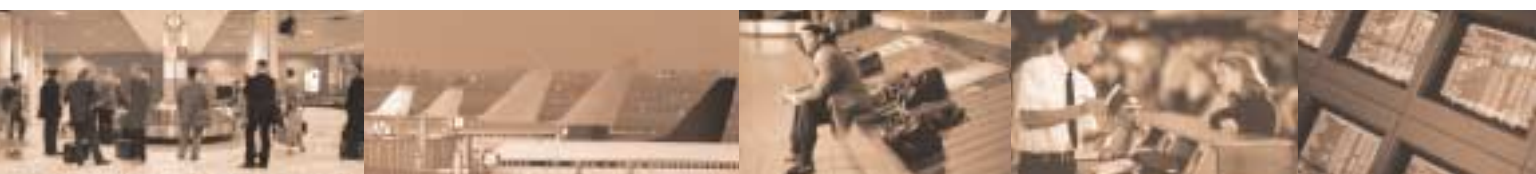


*Bruce Wood*



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## EXECUTIVE SUMMARY

The office of the Air Travel Complaints Commissioner was created by an amendment to the *Canada Transportation Act* in response to concerns about the quality of air travel in Canada that arose during the restructuring of the industry and the acquisition by Air Canada of Canadian Airlines.

During its first reporting period, between July 5, 2000 and December 31, 2000, the Commissioner's office received letters of complaint from 1,248 individuals, more than seven times the number of air travel complaints the Canadian Transportation Agency received throughout 1999. Since there was rarely one issue per letter, the Commissioner dealt with a total of 3,515 issues that were in sixteen different categories.

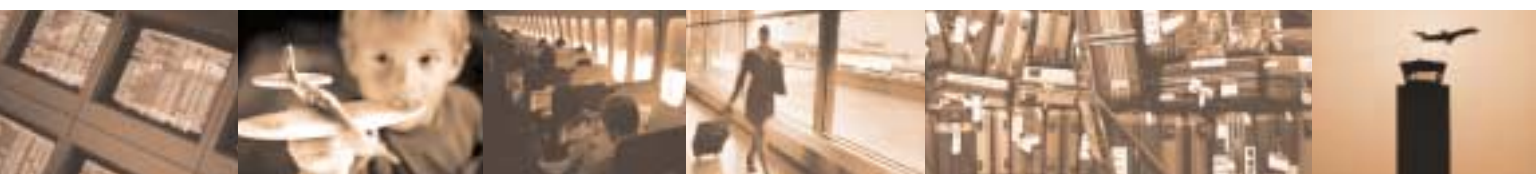
By December 31, 2000, the Commissioner's office had closed 419 of the 1,129 complaints within its jurisdiction. The majority of complainants wrote either directly to the Commissioner without first sending their complaints in written form to the carrier or else to the air carrier and the Commissioner simultaneously. These complaints were passed along to the appropriate air carriers on the assumption that the carriers would resolve a dispute once it was brought to their attention.

Air Canada, the country's largest single air carrier and the 11th largest in the world after its integration of Canadian Airlines and its affiliates, was named in 82 per cent of complaints against Canadian carriers. The majority of the complaints concerned the quality of service provided by the carrier. Complaints were lodged against a total of 55 carriers licensed to operate within, and to and from Canada.

An analysis of the total number of issues revealed that three categories – quality of service at 45 per cent; flight schedules at 19 per cent; and baggage problems at 12 per cent – dominated the nature of the complaints.

- In the quality of service category, passengers overwhelmingly cited a lack of communication and a negative attitude of air carrier employees as the key areas of discontent.
- In the flight schedule category, delays to flights comprised 56 per cent of the issues with cancellations following at 29 per cent.
- In the baggage category, the majority of complaints involved delayed luggage, followed by lost and damaged luggage.

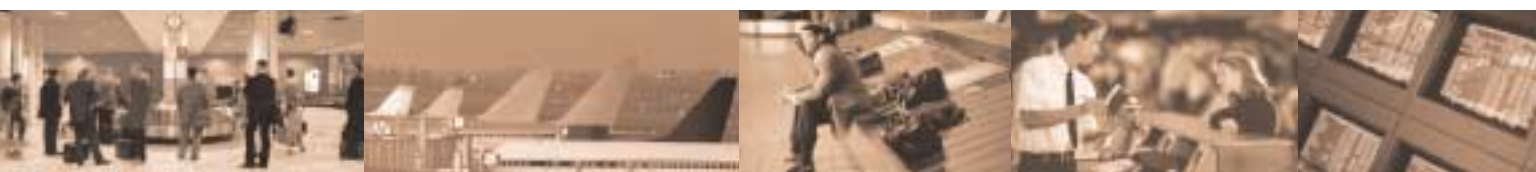
The majority of complainants sought either an explanation and/or an apology from the air carrier. However, an almost equal number sought compensation as well.



An analysis of the findings also suggests that complainants were most concerned about the lack of communication from the carrier, including full and frank information about flight delays or cancellations. Passengers also want speedy access to services such as reservations agents and frequent flyer programs.

Recommendations made by the Commissioner:

- That air carriers be more willing to acknowledge that a problem has occurred and that disputes with their customers be resolved in a more timely and meaningful way.
- That passengers be given immediate access to updated and cause-related information about changes to scheduled flights or route diversions.
- That air carriers provide passenger access to a clear and concise list of applicable terms and conditions of carriage at such highly frequented public venues as check-in counters at airports as well as through travel agencies.
- That air carriers empower their personnel with the ability and authority to deal with any of a wide range of situations which may develop during their interaction with a passenger.
- That air carriers find better systems to handle and track luggage.
- That air carriers make available regular and timely reports of their service performance.





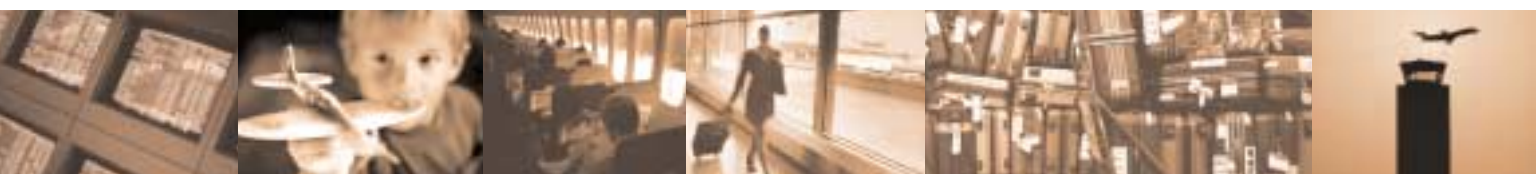
## INTRODUCTION

Dramatic upheavals in the airline industry around the world have changed the way people travel by air both inside and outside Canada. Lower fares ushered in by the market forces of deregulation in the 1980s attracted unprecedented numbers of new passengers eager to take advantage of affordable travel opportunities. In the consolidation period following deregulation, several well-established carriers disappeared, either through merger or bankruptcy. Today, giant national airlines and smaller carriers alike struggle with the same challenge: to restructure their operations and increase productivity in the face of rising fuel prices while still attempting to maintain the quality of service their customers expect.

With commercial air transportation taking on the characteristics of mass transit, consumers have become increasingly more impatient with an industry in transition. Swept along on an often bumpy ride, passengers complain that carriers have grown indifferent to consumer needs in an all-encompassing drive for profit. Passengers lament that once-attentive airlines, for example, have downgraded service and crowded seats to the point of discomfort, all the while increasing fares. Carriers in turn blame such factors as airport congestion, air traffic control systems and bad weather as the root of passenger woes.

In Canada, public disenchantment with air carrier service peaked during the course of the integration of the country's two largest competing air carriers, Air Canada and Canadian Airlines International. For decades, the familiar national carriers had dominated Canadian skies. Before the acquisition of Canadian Airlines, Air Canada was the world's 20th largest airline, carrying more than 19 million passengers a year. Seemingly overnight, Air Canada's passenger load mushroomed by one-third as the carrier, now the 11th largest in the world, struggled to absorb the operations of its long-established rival and at the same time cope with the sudden customer service overload. The Air Canada purchase of Canadian Airlines, fully completed on December 31, 2000, was the impetus for a further restructuring of the Canadian airline industry, a process that analysts predict will take at least another year to complete.

At the same time, several medium-sized carriers have emerged as players in the industry, offering expanded routes and competitive fares to several regions across Canada. For example, WestJet, a discount carrier that offered flights west of Thunder Bay, expanded eastward to Hamilton, Ottawa and Moncton. Another low-cost carrier, CanJet, launched its operations in October 2000 and has flights to Winnipeg, Toronto, Ottawa, Montreal, Halifax and St. John's. As well, carriers once known primarily for international and domestic charter services, such as Royal Aviation, Canada 3000 and Air Transat, have extended their reach into new and non-traditional routes. The growth of these niche competitors has opened up an even broader range of options for air travellers in Canada and added a further dimension to the restructuring of the entire industry.



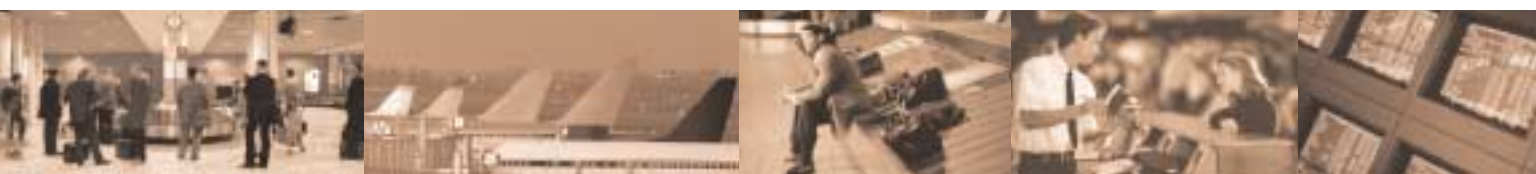
The Government of Canada has played an active role in shaping the public policy debate that surrounds these developments. On October 26, 1999, Minister of Transport David Collenette issued a Policy Framework for Airline Restructuring that detailed the federal government's objectives for the restructuring process, including securing commitments from a dominant carrier; setting conditions on the restructuring; and introducing new legislation and regulations to ensure an orderly transition.

There were several factors that led to legislative measures. The Government of Canada wanted Air Canada to be legally bound to commitments it made during negotiations, among them a promise that service to small communities would be maintained for three years. There was also a desire to protect consumer interests and to enhance competition in the market, in part by protecting other carriers from anti-competitive behaviour resulting from the acquisition.

Accordingly, the Minister of Transport introduced Bill C-26 in February 2000 amending the *Canada Transportation Act*, the *Competition Act*, the *Competition Tribunal Act* and the *Air Canada Public Participation Act*. After extensive public hearings and debate in the House of Commons and Senate, Bill C-26 came into force on July 5, 2000.

An important element of the legislative package on restructuring was the expansion of the responsibilities of the Canadian Transportation Agency and the creation within the Agency of the position of Air Travel Complaints Commissioner.

This is the first report of the Air Travel Complaints Commissioner and it covers the period between July 5, 2000 and December 31, 2000. A preliminary report on the Agency's expanded role in air travel complaints has been incorporated into this report. For the purposes of this report, the Commissioner has focused on those domestic and foreign air carriers licensed by the Agency. As of December 31, 2000, the Agency had issued a variety of licences to a total of 884 Canadian carriers; 764 U.S. carriers; and 109 carriers from other nations.



## THE AIR TRAVEL COMPLAINTS COMMISSIONER

To understand how the Air Travel Complaints Commissioner arrives at the findings that follow, it is first necessary to explain the mandate, responsibilities and functions of the office.

### Mandate of the Air Travel Complaints Commissioner

Under section 85.1 of the *Canada Transportation Act* as amended by Bill C-26, the main duties of the Commissioner are:

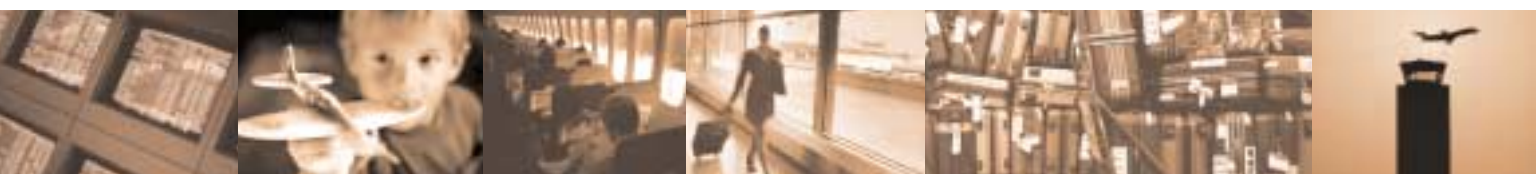
- To review and attempt to resolve every written air travel complaint that has not already been resolved by an air carrier to the satisfaction of the air travel consumer, in circumstances in which no other remedy exists;
- To mediate or arrange for mediation of air travel complaints when appropriate and to provide a report to the complainant and the air carrier outlining their positions and any settlement reached; and
- To provide a report, at least twice yearly, to the Governor in Council through the Minister of Transport, that includes the number and nature of the complaints received and the manner with which they were dealt; the carriers involved; and any systemic problems detected.

### Powers and Responsibilities

The position of Air Travel Complaints Commissioner was added to the responsibilities of the Agency, a quasi-judicial administrative tribunal that regulates various modes of transportation under federal jurisdiction, including air, rail and marine. The Commissioner is a temporary member of the Agency and is appointed to a one-year term, with a possible one-time extension of an additional year.

The Commissioner's role within the Agency is to focus on matters relating to complaints that involve air transportation. While the range of complaints handled by the Commissioner varies widely, the majority of disputes involves issues that relate to the quality of service provided by a carrier, baggage handling and flight schedules. The Commissioner also deals with complaints concerning domestic pricing on competitive routes and the discontinuance or reduction of air service to communities served by more than one carrier.

In all instances, complaints that fall under the Commissioner's jurisdiction are those that are outside the purview of any other responsible authority. For example, safety or transportation policy issues are referred to Transport Canada; issues of false advertising or anti-competitive behaviour are handled by the federal



Competition Bureau; regulatory complaints such as accessibility and pricing issues are referred to a panel of Agency Members; and complaints involving tour operators or travel agents are sent to the appropriate provincial authority.

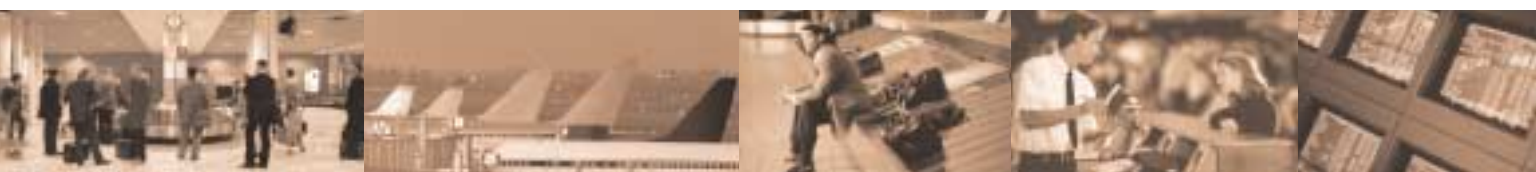
In order to be as responsive as possible to the public, the complaint structure is designed to be informal and flexible. This gives the Commissioner a large degree of latitude and creative scope to readily adapt to any number of issues.

In disputes between an air travel consumer and an air carrier, the Commissioner acts as both reviewer and a potential mediator who seeks to resolve complaints through effective dialogue, co-operation and a clear determination of the facts.

To assist in the investigation of a complaint, the Commissioner has the authority to request that a carrier produce any document or record that is relevant to a complaint. If a complaint cannot be resolved in an informal manner, the Commissioner may choose to mediate or arrange for mediation of the issue.

An important aspect of the Commissioner's role is to establish and maintain contact with senior airline representatives from domestic carriers as well as foreign carriers that operate to and from Canada. The exchange of information allows the Commissioner and the carriers to pinpoint particular areas of concern, identify systemic problems and resolve air travel problems with greater efficiency.

By informing the public and the air travel industry of the functions and responsibilities of his office, the Commissioner also acts as a spokesperson for the Agency. This role is fundamental to the Commissioner's success. An informed public is better able to distinguish between what rights it has as air travel consumers and what services the carriers must provide under the terms and conditions of their tariffs. In turn, informed air carriers can better determine and respond to issues of general concern rather than mistake them as being an unrelated series of isolated complaints. With realistic expectations, the carriers and the Commissioner can address consumer concerns and in fact make improvements to the benefit of all.



## THE ROLE OF THE CANADIAN TRANSPORTATION AGENCY

The Commissioner's responsibility complements but differs from the role of the Canadian Transportation Agency. Unlike the office of the Commissioner, the Agency has the powers and rights of a superior court and can issue binding decisions. Another important distinction is that the Agency handles complaints that relate to a possible contravention of either the *Canada Transportation Act* or of the various regulations the Agency administers.

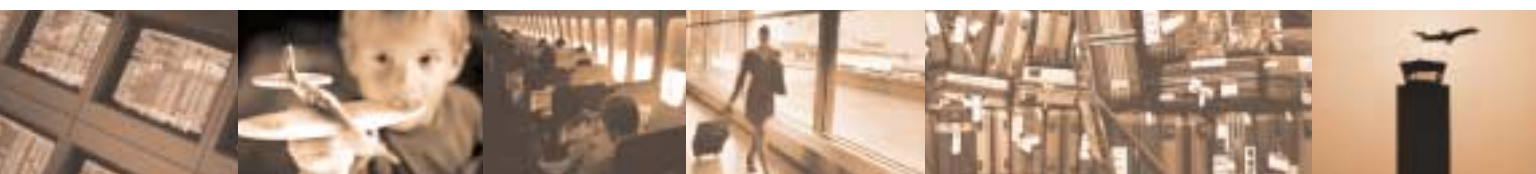
In terms of air travel, Bill C-26 affected the Agency's role in three key areas relating to complaints:

The Agency now has the ability, upon complaint or on its own motion, to monitor and review all passenger fares and cargo rates on routes within Canada served by only one carrier and its affiliates or on which there is limited competition. In these instances, if the Agency finds a fare, cargo rate or increase in a fare or rate unreasonable, it may order it reduced and require the carrier to refund persons who were overcharged, if this is practicable. The Agency may also take action where it determines, that an inadequate range of fares or rates has been offered.

*From July 5, 2000 to December 31, 2000, the Agency received 36 complaints about domestic air carrier pricing. Seven of these were subsequently withdrawn. Investigations into the remaining complaints were initiated, however only four of these have been concluded by year end. All four of the concluded cases involved routes which the Agency determined to be competitive, and therefore the complaints were dismissed as they did not fall within the scope of the revised Canada Transportation Act. The Agency expects to render its first decision concerning an air carrier's pricing on a non-competitive route early in 2001.*

The Agency can now, upon complaint, review terms and conditions of carriage for travel within Canada. Carriers must establish and adhere to reasonable policies that address certain matters, such as lost luggage and the transportation of unaccompanied minors and people with disabilities. If the Agency finds that the carrier has failed to apply any of its terms and conditions of carriage as published in its tariff, it can order the carrier to apply these terms and conditions and, if appropriate, pay restitution to a passenger for any expenses incurred. If the Agency finds that a term or a condition of transportation is unreasonable, it may be disallowed, or the carrier may be required to replace it with another. This complements the Agency's existing authority over terms and conditions of carriage for international transportation.

*From July 5, 2000 to December 31, 2000, the Agency investigated 11 issues involving the reasonableness of terms and condition of carriage. All are still pending at the end of the reporting period.*

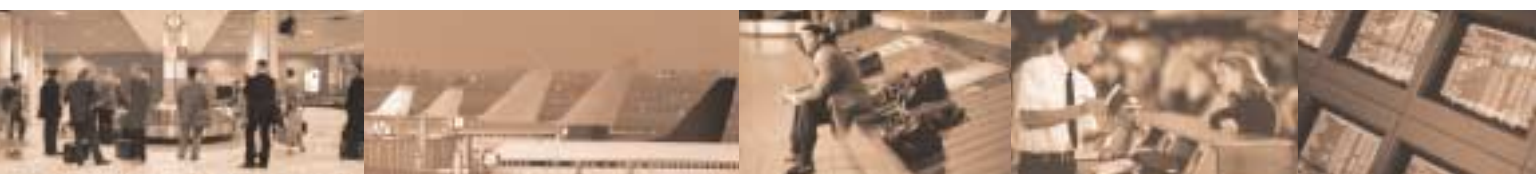




There is now a requirement that the second-last or last carrier serving a community must provide a longer period of notice when it proposes to discontinue service on a route or to significantly reduce the frequency of service. Any carrier giving such notice must provide elected officials with an opportunity to meet with it and discuss the impact of the proposed service reduction. If a carrier fails to provide such notice, the Agency can order the carrier to resume service for up to 60 days.

*From July 5, 2000 to December 31, 2000, the Agency received nine complaints involving a reduction or discontinuance of service. Of these, the Agency dismissed one complaint due to the fact that the carrier had previously received an exemption from the Act; in five cases it found that provisions of the Act did not apply; two complaints were withdrawn and one was still pending at the end of the report period.*

In the reporting period, the Agency received and completed 19 applications for a reduction in or exemption from the notice period or from the proscribed form of notice.



## HOW THE AIR TRAVEL COMPLAINTS PROCESS WORKS

To avoid confusion and to make it easier for consumers already frustrated by their air travel experiences, the Agency recommends that all air travel complaints be sent to the Commissioner after the complainant has contacted the air carrier in writing. Complaints may be sent by mail, by fax, or electronically through the Complaint Forms on the Agency's Web page and by e-mail. Although the Commissioner responds to questions by telephone, a formal complaint must be made in writing.

The majority of complaints received from consumers contain a mix of issues, many of which fall under the jurisdiction of either the Commissioner or the Agency. Rather than set up two separate organizational structures to deal with these different types of complaints, it was decided that for operational purposes the Commissioner would be supported mainly by personnel from the Tariffs, Complaints and Enforcement Directorate of the Agency's Air and Accessible Transportation Branch.

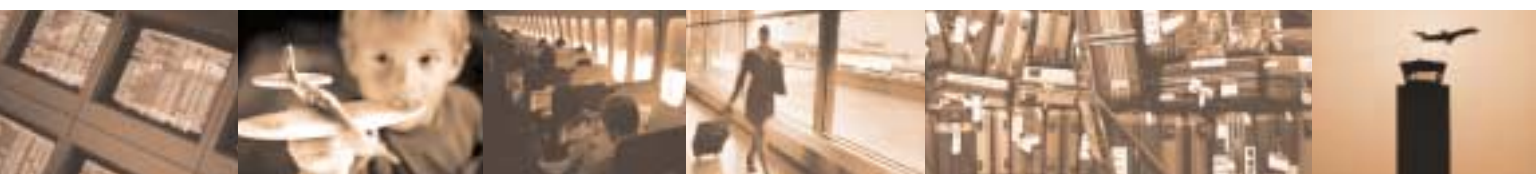
The Directorate consists of four Divisions:

- Complaints Investigation
- Pricing Investigation
- Tariffs
- Enforcement

The principal support to the Commissioner is provided by the Complaints Investigation Division, which deals with most consumer complaints and not surprisingly has the greatest interaction with the Commissioner. The Division consists of five complaints officers, five complaints investigators and a manager. However, in light of the unexpectedly high volume of complaints received, additional resources persons are temporarily working in the unit.

In addition, support on tariffs and pricing matters is also provided to the Commissioner as required from Tariffs Division and the Pricing Investigations Division and legal advice and guidance is provided by Legal Services Branch.

A three-person, ad hoc team was created to develop new policies, practices and procedures; develop the new website; establish a new complaints tracking system; and create and staff the new positions. This team, which will dissolve in early 2001, was instrumental in helping both the Commissioner and the Agency get their new systems up and running in record time. The Agency vice-chairman, who participated in the original set-up of the complaints handling process, continues to work with the Commissioner in the ongoing operation of the office.



For the purposes of this report, staff members from these divisions are included in the term “Commissioner’s office” when they are working on matters that fall within the Commissioner’s jurisdiction.

The Commissioner’s office sorts complaints it receives into five categories:

### 1. Other Jurisdictions

These complaints deal in whole or in part with issues that are the responsibility of other government departments or agencies. If part of the complaint falls under the Commissioner’s responsibility, that part is dealt with by the Commissioner and the rest is forwarded to the relevant authorities.

*From July 5, 2000 to December 31, 2000, 55 complaints fell outside the jurisdiction of the Agency and the Commissioner and were passed along to the appropriate authority. Of those, 47 complaints were closed before the end of the reporting period.*

### 2. Agency Direct Complaints

While many complaints that deal in whole or in part with regulatory matters are handled under the Commissioner’s informal process, some categories of complaints are referred directly to a panel of Agency Members. These include:

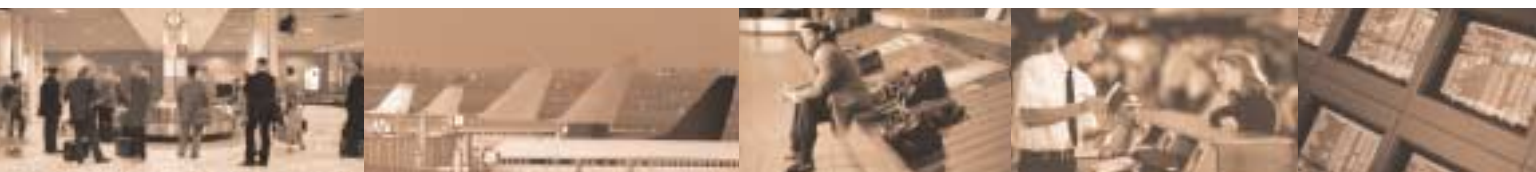
- Accessible transportation
- Discontinuance or reduction of a domestic air service
- Pricing
- Unreasonable terms and conditions of carriage
- Allegations of unruly passenger behaviour, commonly known as air rage

More detailed information on the Agency’s activities is available in the Agency’s Annual Report.

### 3. General Complaints and Comments

Since these complaints or comments are of a general nature and do not refer to a specific flight or incident, little can be done to respond to the issues raised. However, general comments and complaints are valuable sources of information that enable the Commissioner to determine the public’s perception of a carrier’s performance and whether over time the situation has improved, deteriorated, or remained constant. The Commissioner also uses information gleaned from general complaints and comments in his discussions with carriers about their performance.

The Commissioner acknowledges the consumers’ concerns and periodically sends batches of letters to the appropriate carriers for information purposes only. No reply is requested.



*From July 5, 2000 to December 31, 2000, the Commissioner received a total of 63 general complaints or comments, or 5 per cent of the total.*

#### **4. Complaint Not Previously Directed to the Carrier**

This category involves complaints from passengers who wrote either directly to the Commissioner without first giving the carrier in question an opportunity to deal with the incident in writing, or to both the carrier and the Commissioner at the same time.

The Commissioner's office attempts to acknowledge complaints of this nature within 48 hours of receipt. A copy of the complaint is sent to the carrier with a request that the carrier reply directly to the complainant within 30 days, and that a copy of its reply be provided to the Commissioner.

Upon receipt, the airline's response is analyzed for accuracy, legality and completeness. If there are obvious omissions or errors, the Commissioner will follow up with the carrier and keep the complainant aware of developments in the case. Follow-up action is also undertaken if no reply is received within the specified time frame.

Where no obvious problem with an airline's reply to a complaint is identified, the file is left open for three weeks from the date of the airline's reply in order to allow the complainant time to respond. If at the end of this time there is no indication that the complainant is unhappy with the reply, the file will be closed but can be re-opened at any time if necessary.

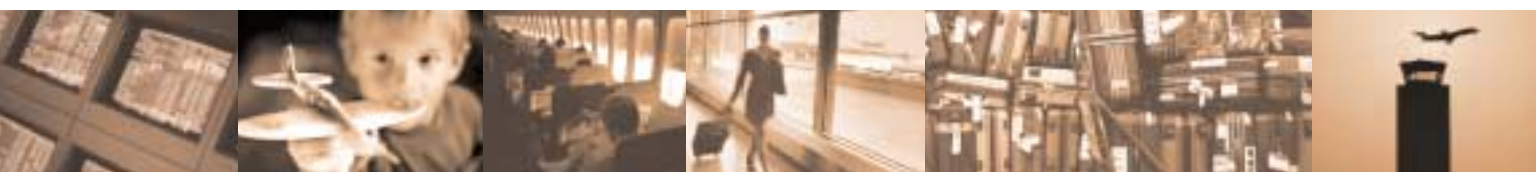
Further intervention of the Commissioner is only necessary if a complainant indicates dissatisfaction with the carrier's reply, or if no reply has been received from the carrier within the specified time frame, including any extensions that may have been granted.

This category of complaint is referred to as a Level One complaint.

#### **5. Complaint Previously Directed to the Carrier**

This category involves complaints in which passengers have indicated dissatisfaction with the way that a carrier has dealt with their written complaints. It also includes cases in which a carrier has not responded to a complaint within the specified time frame. In many cases, complainants turned to the Commissioner for help only after attempts to resolve the complaints on their own had failed.

Complaints of this nature are analyzed to ensure that all pertinent documentation has been received, that the time and nature of the incident in question are clearly set out and that the recourse being sought by the complainant has been properly identified. When necessary, the Commissioner will seek additional information from the complainant before proceeding with an investigation. The Commissioner's office



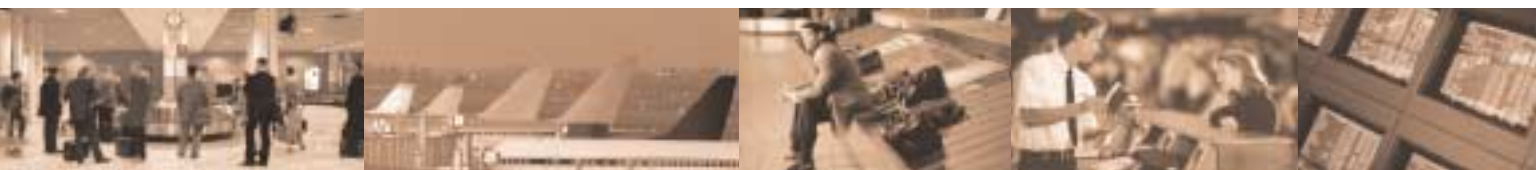
will also identify any precedents or similar cases that might exist. The pertinent sections of the carrier's tariff will also be reviewed.

Where the Commissioner determines that further action is warranted, he will write to the airline or airlines in question and seek written comments on the issues raised in the complaint. During the course of the investigation, the Commissioner's office works closely with the carrier and the complainant to try to obtain a satisfactory resolution to the complaint.

If during the course of the investigation an acceptable resolution of the issue relevant to the carrier's tariff is met and all other issues of the complaint are resolved, the file will be closed.

However, if the Commissioner's office is unable to obtain a conclusion satisfactory to the complainant within a reasonable time frame, the Commissioner may choose to deal personally with the carrier on the matter. As a last resort, formal mediation can be attempted.

A complaint in this classification is known as a Level Two complaint.





## COMMISSIONER AND AGENCY INITIATIVES

Reaching as broad a spectrum of the public and industry as possible from the outset was a challenge, particularly since the Agency had just launched its expanded operations and was in largely uncharted and untested territory. In addition, the high-profile nature of its responsibilities, and the apparent public clamour for tangible action to resolve disputes, meant that the Commissioner's office needed to be functional from virtually its first day of operation.

To achieve a broad reach and to inform Canadians of the roles and responsibilities of the Commissioner and the Agency, a series of ongoing initiatives were employed, including:

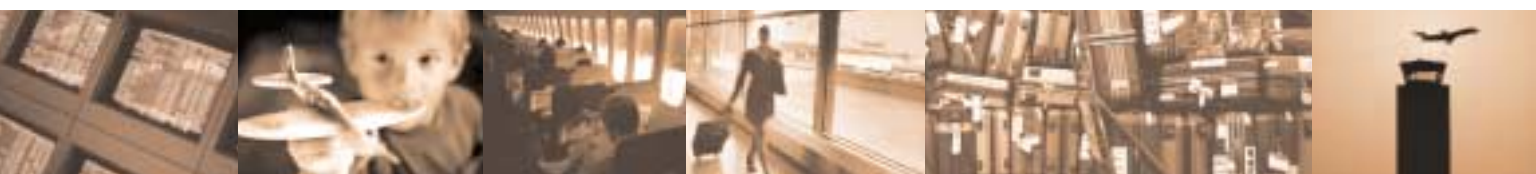
**Toll-Free Telephone Service (1 888 222-2592)** A call centre with a toll-free telephone service and bilingual agents was established to respond to questions and handle orders for publications concerning the Agency, the role of the Commissioner, the complaints process and other matters related to air travel. The telephone service provides coverage across North America and is open from 8:00 a.m. to 8 p.m. Eastern Time, Monday to Friday, except holidays.

*During the six-month reporting period, the Agency Call Centre received 3,640 telephone calls.*

**Air Travel Complaints Website ([www.cta.gc.ca](http://www.cta.gc.ca))** The website details recent changes to the *Canada Transportation Act*; the function and role of the Commissioner and the Agency; the air travel complaints process and appropriate contacts for complaints that fall outside the authority of both the Agency and the Commissioner. The site also provides access to relevant information, including current material for passengers on their rights and responsibilities when travelling by air and the addresses, telephone and fax numbers of customer service representatives of various carriers. Consumers with Internet access can either file a complaint online or download a complaint form to mail or fax to the Commissioner.

*During the six-month reporting period, 529 complaints, or 42 per cent of the total, were filed electronically through the Air Travel Complaints website.*

**Air Travel Complaints? Pamphlet** Introducing the Commissioner and the expanded role of the Agency, the pamphlet outlines the types of complaints that can be heard and contains the complaints website address and the toll-free telephone number. The document, which may also be downloaded from the Agency's website, is distributed to travel agents throughout Canada and to individual consumers at travel and tourism shows across the country.

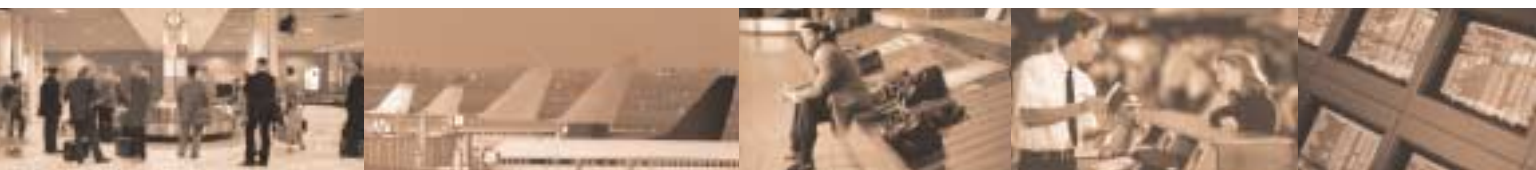


**Fly Smart Brochure** This Agency publication contains hints and tips for air travellers that help them to identify common air travel situations that might occur and to minimize the likelihood of a problem. The brochure is available upon request by telephone, mail or e-mail.

To further reach the public and targeted groups, the Commissioner and Agency representatives also:

- Participated in trade and travel shows across the country, including events involving the Association of Canadian Travel Agents in Calgary, Edmonton and Saint John; the International Air Transport Association's Passenger Services Conference and the Annual General Meeting of the Air Transport Association of Canada, both held in Vancouver; the International Tourism and Travel Show in Montreal; the Newfoundland and Labrador Federation of Municipalities in Gander; the Travel and Leisure Show in Toronto; and the World Airline Customer Relations Association in Juan Les Pins, France;
- Sent an information kit on air travel complaints and the role of the Commissioner to each Member of Parliament to help them better serve constituents with their air travel complaints.
- Sent information packages to air carriers to advise them of the changes that occurred under the *Canada Transportation Act* and how those changes particularly affected them, including the creation of the Commissioner's position and the new role of the Agency in terms of domestic passenger and cargo pricing, terms and conditions of transportation as found in a carrier's tariff and the carrier's obligations arising from a reduction or discontinuance of service to a community;
- Contacted more than 4,000 municipalities by letter to inform them of the obligations of air carriers serving their communities;
- Prepared information packages for more than 5,000 travel agencies, including a letter to explain their role in the complaint process and pamphlets to distribute to their clients; and
- Contributed information about changes to the Act for use in half-page advertisements in all major English and French dailies in Canada as well as in information kits to 11 million Canadian households.

In addition, the Commissioner appeared regularly on radio and television talk shows and interviews and conducted numerous print interviews for newspapers and other print media.



## FINDINGS

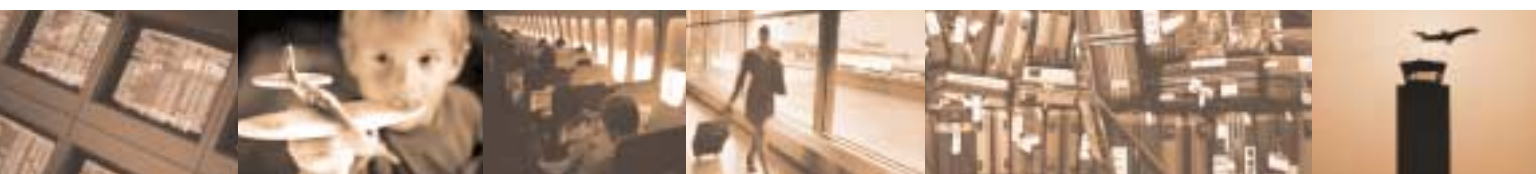
The breakdown and analysis of the number and nature of complaints received by the Air Travel Complaints Commissioner between July 5, 2000 and December 31, 2000 offer revealing snapshots of the fallout from the recent turbulence affecting the air industry in Canada. Complaints collected during the first six months also illustrate the depth of the travelling public's concern about a wide range of services that colour a flight experience, both in the air and on the ground.

Ongoing compilation of data will allow the Commissioner, in concert with the Agency, to identify and track any systemic problems or trends that need to be addressed for the betterment of the air industry and to the benefit of the public it serves. Understandably, at this early stage of the Commissioner's mandate it would be premature to draw conclusions, other than those of a preliminary nature. That is not to say however that this report does not pinpoint areas of service that consumers say need immediate attention. It most certainly does. Indeed, the statistical evidence gathered thus far is a critical building block of the foundation that will help us to further refine and enrich our analyses and our contribution to the ongoing search for creative and constructive improvements to the air travel environment.

### THE NUMBER OF COMPLAINANTS

Between July 5, 2000 and December 31, 2000, the Commissioner received written complaints from 1,248 individual air travel consumers. By comparison, the Agency received 261 written complaints relating to air travel in the six months that preceded the coming into force of Bill C-26 and a total of only 165 complaints throughout the entire year in 1999. The sharp increase is due in part to the much-publicized circumstances surrounding the Air Canada acquisition of Canadian Airlines as well as the publicity surrounding the creation of the Commissioner's office and the expanded responsibilities of the Agency.

Jurisdiction of Complaint	Received	Percentage
Commissioner	1,129	90.46
Agency	64	5.13
Other	55	4.41
<b>Total</b>	<b>1,248</b>	<b>100.00</b>



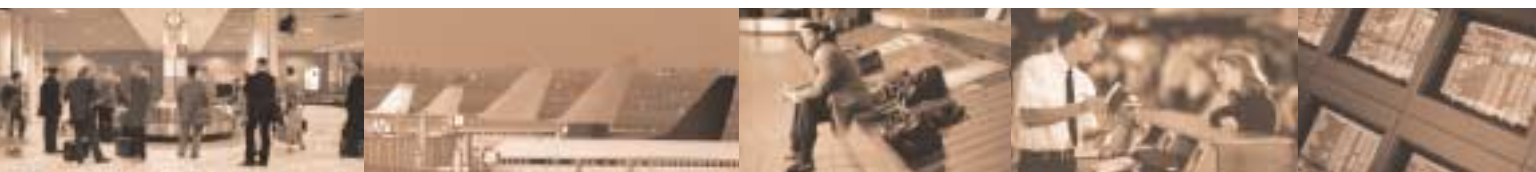
The Commissioner dealt with 1,129 complainants, or 90 per cent of the total number of written complaints received. The remaining 119 complaints were outside the Commissioner's jurisdiction and were passed along to the appropriate federal or provincial authority, including the Agency.

## COMPLAINT STATUS

Of the 1,248 letters of complaint received during the reporting period, 42 per cent were closed by December 31, 2000 either because they were resolved or withdrawn. The remaining 721 files were still active and at various stages of the complaint process at the beginning of the new reporting period on January 1, 2001.

State of Complaint as at 31 Dec 00	Received	Percentage
Closed	527	42.23
Active	721	57.77
<b>Total</b>	<b>1,248</b>	<b>100.00</b>

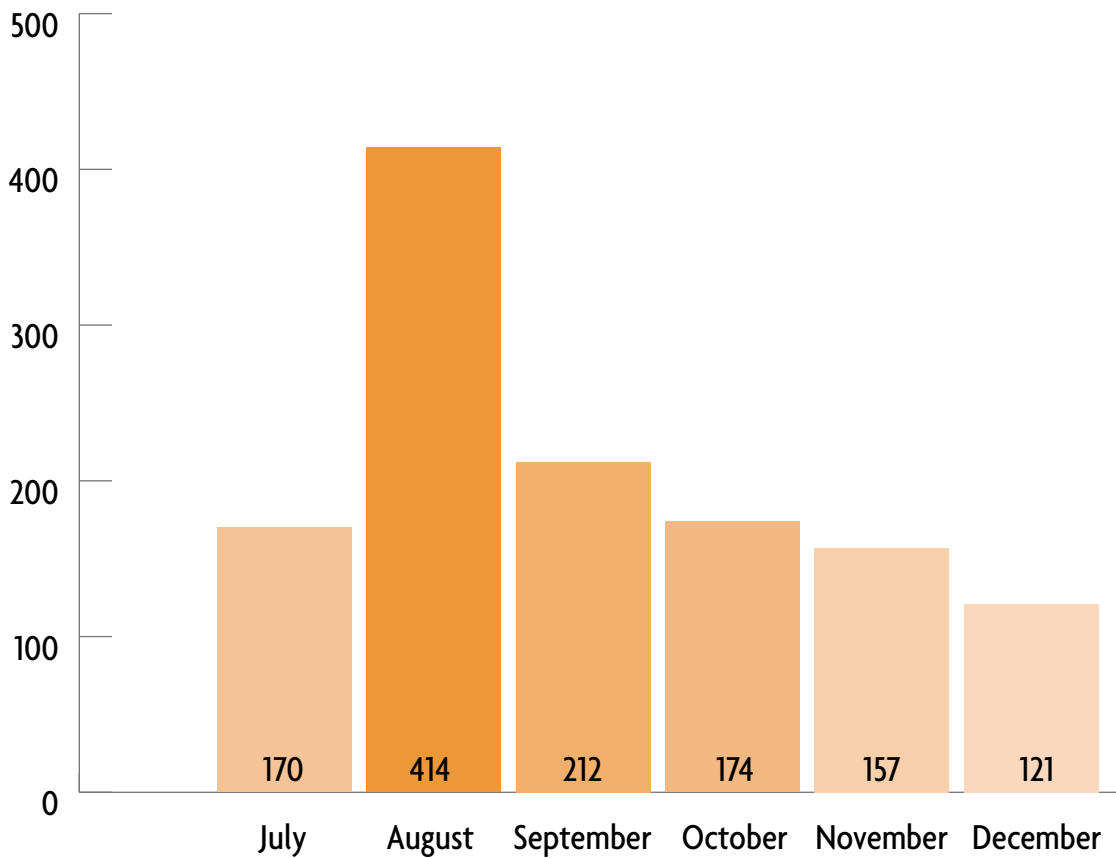
In practical terms, the number of outstanding cases is neither surprising nor unexpected given the fact that throughout much of the period under review the program was in the first stage of its development. Also, the complaint process is structured to ensure that each complaint is given the attention and consideration it deserves.



## THE FREQUENCY OF COMPLAINTS

The frequency of complaints peaked in the months of August and September, following extensive media coverage of Air Canada's acquisition of Canadian Airlines, and dropped to an average rate of 30 complaints a week at the end of the reporting period. Continued monitoring will determine whether Canadians were merely searching for a lightning rod in the storm that enveloped the integration of Air Canada and Canadian Airlines, or whether the problems illustrated by this report during this reporting period have deeper or more extensive roots.

Frequency of complaints received between July and December 2000 (Total 1,248)

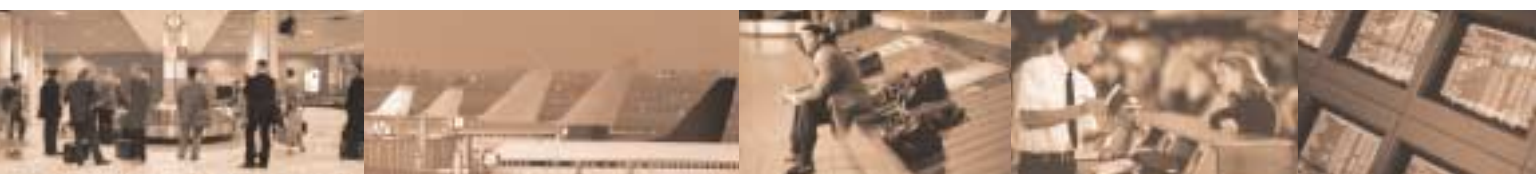




## COMPLAINTS RECEIVED BY PROVINCE

Complaints were received from residents of all the provinces and territories. However, 49 per cent of the total number of complaints originated in Ontario, the most densely populated province and a hub of travel within Canada. In fact, Pearson International Airport in Toronto handles more than 65 per cent of Air Canada and Canadian's total combined passenger loads.

Province/Country	Received	Percentage
Ontario	610	48.89
British Columbia	170	13.62
Alberta	161	12.90
Quebec	85	6.81
Manitoba	42	3.37
Newfoundland	28	2.24
Nova Scotia	28	2.24
New Brunswick	22	1.76
Saskatchewan	21	1.68
Prince Edward Island	7	0.56
Nunavut/NWT	6	0.48
Yukon	2	0.16
United States of America	48	3.85
Foreign/International (non USA)	18	1.44
<b>Total</b>	<b>1,248</b>	<b>100.00</b>



## COMPLAINT CLASSIFICATION

Complaints sent to the Commissioner are divided into two categories. Level One complaints are from passengers who wrote directly to the Commissioner without first contacting the carrier in question, or who wrote simultaneously to the carrier and to the Commissioner. Level Two complaints are from passengers who either contacted the carrier before they wrote to the Commissioner and were not satisfied with the carrier's response, or did not receive a response within a specified time frame.

The remaining complaints are either of a general nature or involve issues of a regulatory nature that are initially outside the Commissioner's jurisdiction.

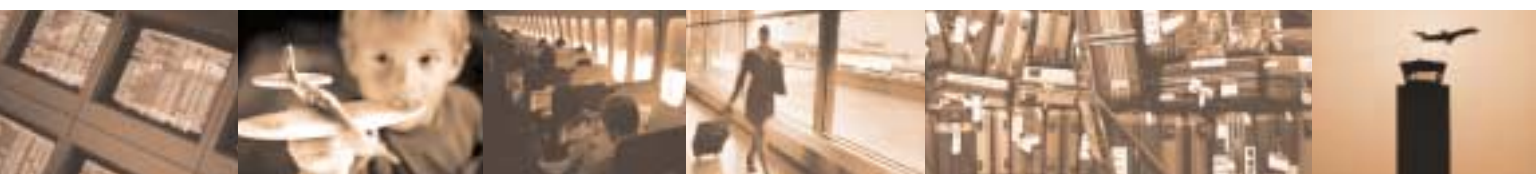
Complaint Level Type	Received	Percentage
Level One	701	56.17
Level Two	374	29.97
Other	173	13.86
<b>Total</b>	<b>1,248</b>	<b>100.00</b>

### Level One Complaints

Of the total letters of complaint received, 56 per cent were Level One. These letters came directly to the Commissioner instead of going to the carrier involved. Reasons that the complainants did not follow the prescribed procedure include the possibilities that they were unable to get in touch with the carrier or that they were reluctant to send their complaints to anyone other than the Commissioner. In general, air carriers, like any business dealing with the public, respond to complaints when they are brought to their attention.

Status	Received	Percentage
Still Active	348	49.64
Closed before December 31, 2000	353	50.36
<b>Total</b>	<b>701</b>	<b>100.00</b>

Half of the total of Level One complaints were resolved in one way or another by the end of the reporting period. The remaining complaints were still being addressed as of December 31, 2000.



## Level Two Complaints

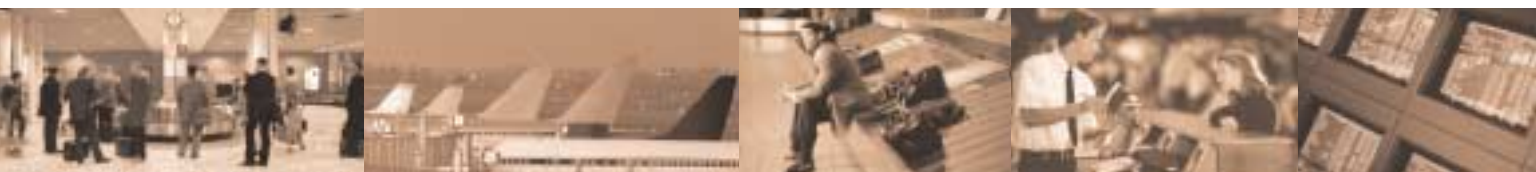
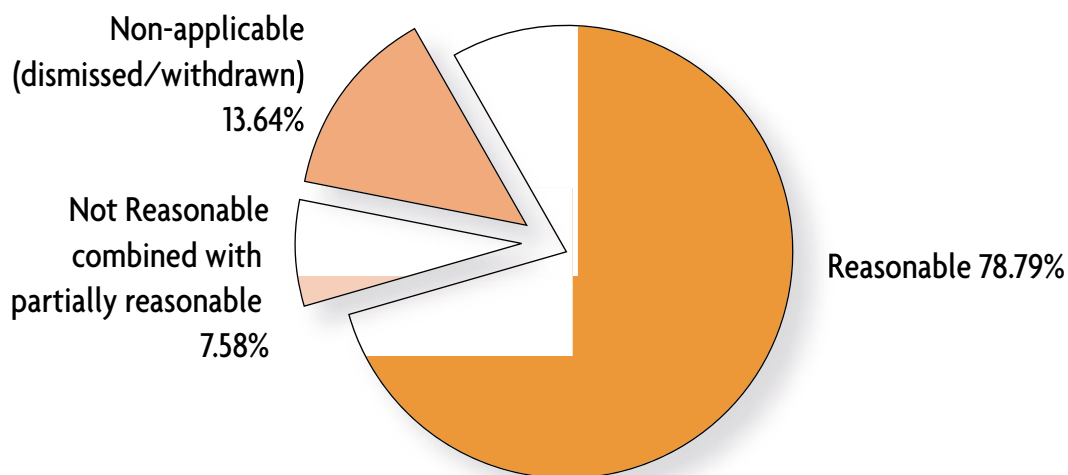
Typically, Level Two complaints take longer to deal with because the air carrier did not respond satisfactorily to the passenger's complaint. The Commissioner's role in the complaint process therefore becomes greater as these individual complaints escalate. Often in cases requiring the greatest intervention by the Commissioner, neither the passenger nor the carrier appears willing to concede easily.

Status	Received	Percentage
Still Active	308	82.35
Closed before December 31, 2000	66	17.65
<b>Total</b>	<b>374</b>	<b>100.00</b>

### Closed Complaints: Settlement

Although it is often said that every story has two sides, the Commissioner determined that virtually every Level Two complaint merited further review by the carrier. More than 75 per cent of the closed 66 Level Two complaints were eventually resolved. In some cases, complainants went to great lengths to detail their problems. Some complainants told of repeated and unsuccessful attempts to get action on their own.

Closed Complaints: Settlement Level Two (Total 66)



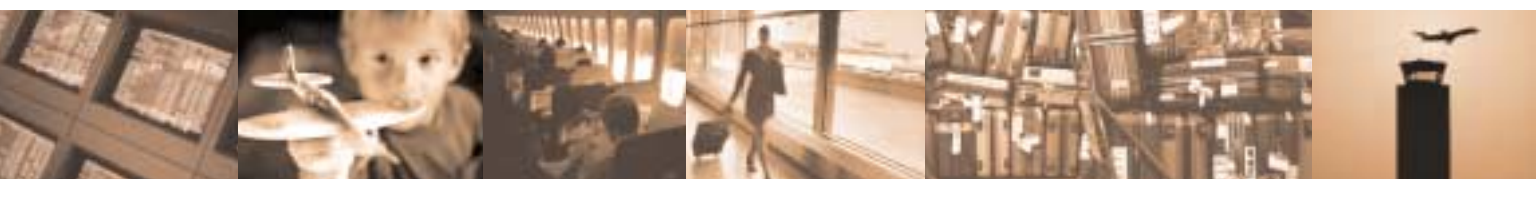
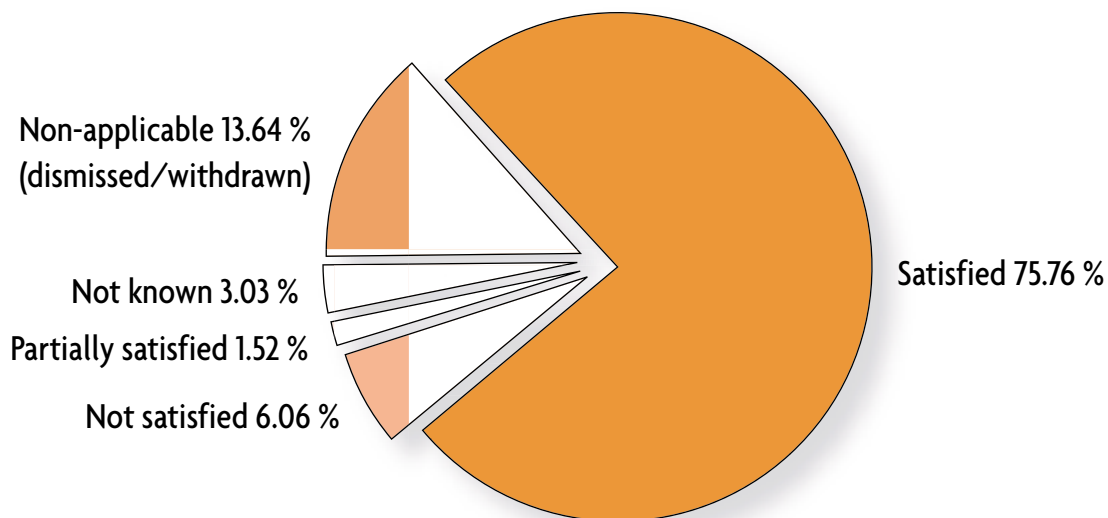
### Closed Complaints: Satisfaction

When asked if they were happy with the resolution of their complaint, most consumers who responded said they were satisfied. A number of complaints were withdrawn or closed when it was determined that no further action was beneficial.

Several complainants acknowledged that it was unlikely they would have reached a settlement without the help of the Commissioner. Wrote one: "I have no doubt that this reimbursement [settlement] was related to the fact that you and your office were directly involved."

Complaints were lodged against a total of 55 carriers providing service within or to and from Canada. It is apparent that a range of independent and often overlapping variables such as bad weather, fare hikes or disruptions caused by strikes or layoffs are responsible for fluctuations in the frequency and nature of complaints. The quality of service provided in the handling of these situations is a major determining factor in the number of letters of complaint.

#### Closed Complaints: Satisfaction Level Two (Total 66)



## COMPLAINTS AGAINST CARRIERS

### Canadian Carriers

Air Canada and its affiliates, the single largest air carrier in Canada, garnered the most complaints during the reporting period, with 82 per cent of the total. By some accounts, a carrier that attracts only 927 complaints in six months while providing services to an average of 55,000 passengers a day may appear to be doing relatively well. However, such justification must be weighed in context of the nature of the complaints as well as the air travel choices available to consumers who use or rely upon the services of the single dominating force in this country's air industry.

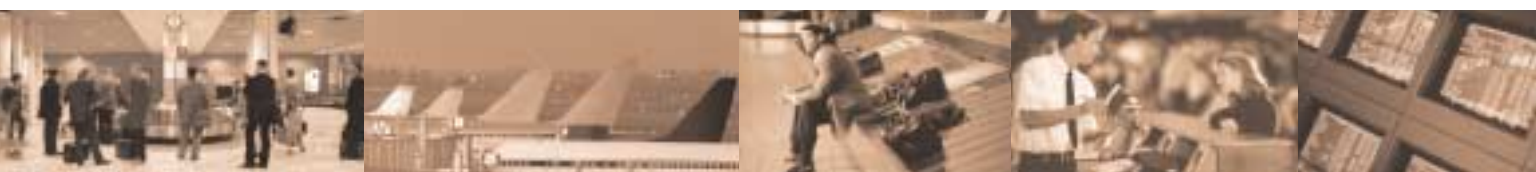
Canadian Air Carriers	Complaints Received	Percentage
Air Canada	769	68.17
Air Canada's Affiliates	158	14.01
Air Transat	69	6.12
Canada 3000 Airlines	53	4.70
Royal Aviation	30	2.66
Skyservice	11	0.98
Other Canadian Carriers*	16	1.41
No Specific Carrier Identified**	22	1.95
<b>Total</b>	<b>1,128</b>	<b>100.00</b>

\* Other Canadian Carriers: For a more detailed list please see master table on page 36.

\*\* No specific carrier identified: some complaint letters did not mention the air carrier.

Canadian Airlines International appears with affiliates in the data as the carrier was still a separate entity during the reporting period. The complaints involving the carrier reflect problems encountered before and during its integration with Air Canada.

All other Canadian carriers accounted for 18 per cent of the total complaints. That too must be placed in perspective. With fewer aircraft and therefore fewer passengers, it is difficult to compare one carrier's performance against that of another.





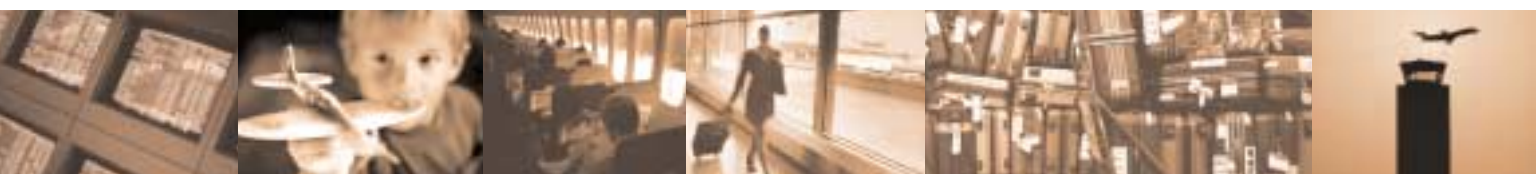
## Foreign Carriers

Certainly the Canadian air travel industry is not the only one in the world challenged by corporate and administrative restructuring. Complaints against foreign-owned carriers, however, were significantly fewer than those registered against domestically owned airlines. While there is no definitive reason for this, there are several factors worth noting. The number of Canadian passengers carried by any one particular foreign carrier, with the exception of the larger U.S. and European carriers, is usually quite small. In fact, Air Canada typically carries more passengers in a day than a foreign carrier may carry to and from Canada in a year. As well, air travellers tend to fly what they know best – passengers from abroad prefer to fly with carriers from their home country, just as Canadians prefer the services of Canadian carriers. Finally, if there is a problem, passengers on foreign carriers, including Canadian travellers, are probably more likely to complain to the government of the home nation.

A similar analysis for other foreign carriers reveals that most issues raised by complainants involve the quality of service.

### Complaints against Foreign Air Carriers

Foreign Air Carriers	Received	Percentage
American Airlines	16	13.34
LACSA	11	9.17
Alitalia	9	7.50
Lufthansa	9	7.50
KLM	7	5.83
British Airways	6	5.00
Air France	6	5.00
US Air	5	4.17
TACA	4	3.33
Cubana	4	3.33
United Airlines	3	2.50
Royal Air Maroc	3	2.50
Other	37	30.83
<b>Total</b>	<b>120</b>	<b>100.00</b>



## AIR CANADA'S ACQUISITION OF CANADIAN AIRLINES

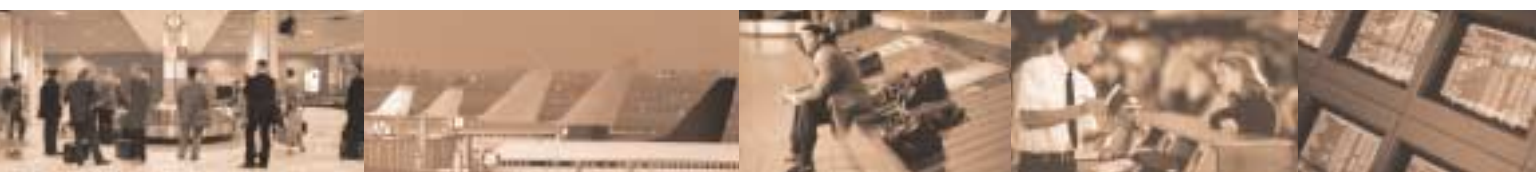
The acquisition of Canadian Airlines by Air Canada and the integration that followed clearly caused great confusion. At play was the task of merging two different and long-established corporate cultures within one entity while at the same time fulfilling the expectations and needs of the travelling public. Maintaining the same level of service and efficiencies without disruption to customers in such an undertaking is obviously a tall order. Understandably, passengers caught in the middle of this transition were unprepared for the effects of a major shift from two competitors to one dominant national airline.

*"I've tried to be patient, recognizing the magnitude of this corporate restructuring, however, I am at the point where I would move my business in a minute from Air Canada, but that's not going to get me very far, is it?"*  
*Passenger, December 2000*

### Complaints against Air Canada and its Affiliates

Canadian Air Carriers	Complaints Received	Percentage
Air Canada	769	82.95
Canadian Airlines Int'l Ltd	128	13.81
Air Nova	10	1.08
Canadian Regional Airlines	10	1.08
Air Ontario	7	0.76
Air BC	3	0.32
<b>Total</b>	<b>927</b>	<b>100.00</b>

*"I travelled to a number of cities across Canada recently with two American colleagues who were flabbergasted at the treatment and service we received. I too was angry, and as a proud Canadian, I was also embarrassed."*  
*Passenger, July 2000.*



As one could expect, the prevailing tone of many letters of complaint received during the most chaotic period in early summer 2000 was one of frustration. Passengers told of “huge delays” and flight cancellations that resulted in missed connections. Others complained of deteriorating in-flight service; “placating PR Double Speak”; endless waits on hold on the telephone to book a reservation; the “rude” or “arrogant” behaviour of a stressed and stretched Air Canada staff that in the words of one complainant, exhibited “A clear ‘customer-be-damned’ attitude.”

*“While we cannot totally insulate air travellers from the inevitable effects of integrating these two large airlines, we can do a better job of informing them about how we are addressing problems and when they will be fixed.”*

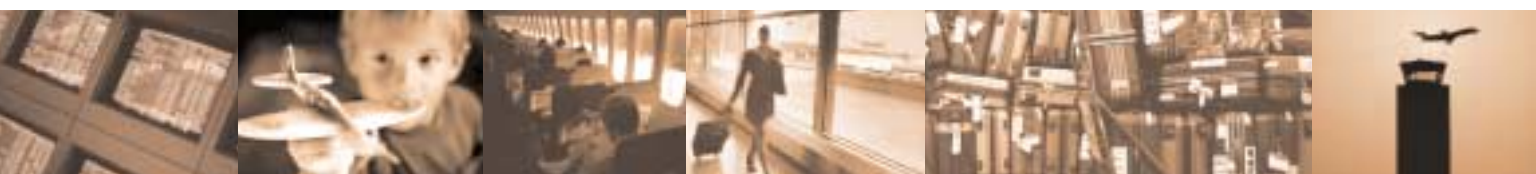
*Air Canada President and CEO Robert A. Milton,  
letter to Bruce Hood, August 7, 2000.*

For its part, Air Canada has taken several steps since the merger to bring its operations up to a more acceptable level. On August 3, the company made a 180-day commitment to improve customer satisfaction, and appointed an Ombudsman to review the processing of customer services within the airline. Further initiatives included measures to reduce wait times at check-in counters, call centres and Aeroplan; and the integration of information technology systems to eliminate processing problems.

During the reporting period, the Commissioner received several letters in support of Air Canada. In September, one passenger wrote that Air Canada not only re-routed his ticket for a flight from Heathrow to Calgary when he missed his connection with another carrier but also delivered delayed luggage to his home the next day. Another recounted a trip from Calgary to Toronto on a ticket that was upgraded without charge by a helpful gate attendant.

*“Why not make space for those of us that appreciate the sheer wonder of modern air travel, and the incredible tasks that it is able to perform as well as it does?”*

*Passenger, November 2000.*

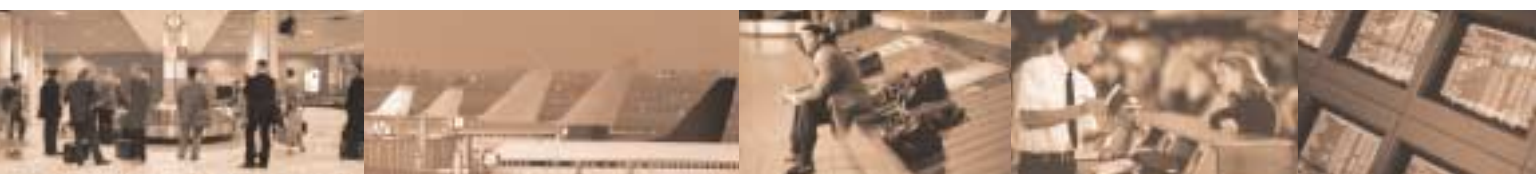


## COMPLAINT ISSUES

Not surprisingly, Air Canada's acquisition of Canadian Airlines was a contributing factor in the recent focus on customer service issues across the entire spectrum of air travel. The Commissioner received a total of 3,515 issues of complaint in 16 different categories during the reporting period. This exceeds the total number of complainants for the simple reason that few consumers list only one air travel complaint at a time. One letter, for example, listed nine separate issues that required individual attention. If customers have had a bad baggage experience, usually they indicated that they also faced rude or indifferent staff. Otherwise their baggage problems would probably have been resolved without the need of outside intervention.

All Carriers	Issues	Percentage
Quality of Service	1,582	45.01
Flight Schedule	669	19.03
Baggage	406	11.55
Air Ticketing	163	4.64
Air Fares	152	4.32
Frequent Flyer Program	122	3.47
Denied Boarding	111	3.16
Other	310	8.82
<b>Total</b>	<b>3,515</b>	<b>100.00</b>

A breakdown of complaints against Air Canada reveals that 46 per cent of the passengers who filed specific complaints about the airline were upset about the quality of the carrier's service. Many complainants acknowledged the inevitability of temporary inconveniences during the transition stage. Yet others feared that with a virtual domination of Canadian skies, nothing was to stop Air Canada from running roughshod over their rights as paying customers with few or no other options. Several complainants urged the federal government to deregulate Canadian air space to allow the introduction of foreign-owned competition.



### Issues: Air Canada / Canadian and affiliates

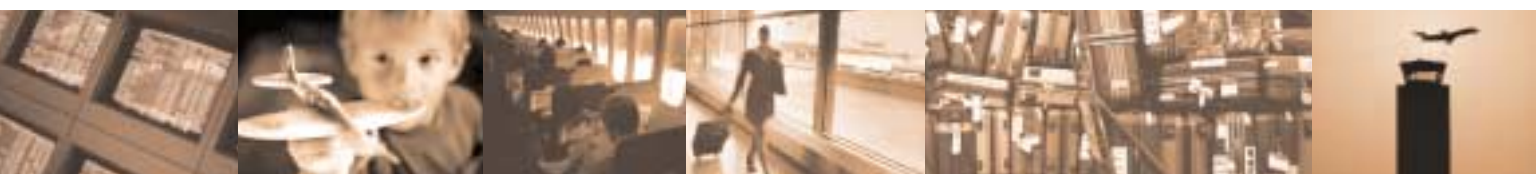
Most Common Issues	Received	Percentage
Quality of Service	1,216	45.73
Schedule	514	19.33
Baggage	298	11.21
Other (reservations, ticketing, denied boarding...)	631	23.73
<b>Total</b>	<b>2,659</b>	<b>100.00</b>

### Issues: Other Canadian Carriers and No Carrier Identified

Most Common Issues	Received	Percentage
Quality of Service	249	44.54
Schedule	107	19.14
Baggage	48	8.59
Other (reservations, ticketing, denied boarding, etc.)	155	27.73
<b>Total</b>	<b>559</b>	<b>100.00</b>

### Issues: Foreign Carriers

Most Common Issues	Received	Percentage
Quality of Service	117	39.40
Schedule	48	16.16
Baggage	60	20.20
Other (reservations, ticketing, denied boarding...)	72	24.24
<b>Total</b>	<b>297</b>	<b>100.00</b>



## MAJOR AREAS OF DISSATISFACTION

The overwhelming majority of consumers who complained to the Commissioner cited three main areas of dissatisfaction or concern: quality of service; flight schedules, including delays and cancellations; and baggage problems, including loss or damage of luggage. To passengers, these are the three primary indicators of the quality of a flight. Problems with any one of them – or worse, the combination of all three – can turn a routine trip by air into a frustrating ordeal.

*“One wonders how much ‘study’ it takes to realize that if customers are waiting for at least 50 minutes on hold, more reservations staff are needed.”*

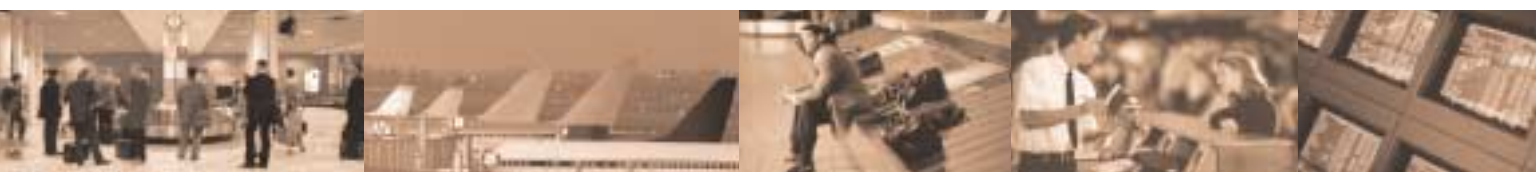
*Passenger, November 2000.*

Complaints involving the next four categories – air fares; ticketing; denied boarding and frequent flyer programs – represented 16 per cent of the total number of issues raised. Still, some of the strongest expressions of anger involved those categories, particularly the difficulty some passengers experienced booking tickets on their frequent flyer points. Several complainants, for example, questioned the value of a frequent flyer program if they had little success in redeeming their points. Other passengers complained they were not given satisfactory reasons when denied boarding privileges. In all cases, customers were looking for a more comfortable atmosphere and a hassle-free experience when flying by air.

### Quality of Service

Of the top three categories of complaint, the poor quality of service that air carriers provide to the paying public struck the most sensitive nerve among Canadian consumers. More than 1,500 complaint issues focused on air carrier services at various points of the travel experience. Issues included the attitude of ground and in-flight airline personnel; the lack of communication of information about delays and cancellations; the state of the carrier’s equipment; line-ups at the check-in counter; and the quality and availability of meals.

A review of the complaints related to the quality of service shows that passengers say they are willing to adjust to almost any kind of inconvenience as long as they are treated with courteous respect and are made aware of what is going on. Whether it is an executive who takes weekly flights on business or a family on a once-in-a-lifetime charter vacation, Canadians want value for their money.





*“It takes just one ‘know-it-all, I’m-the-boss, you-are-an-idiot, you-do-as-I-say’ stewardess/purser/ticket agent employee to set the tone of the trip. It often is not only what they say, but how they say it. Their attitude stinks on far too many occasions.” Passenger, July 2000.*

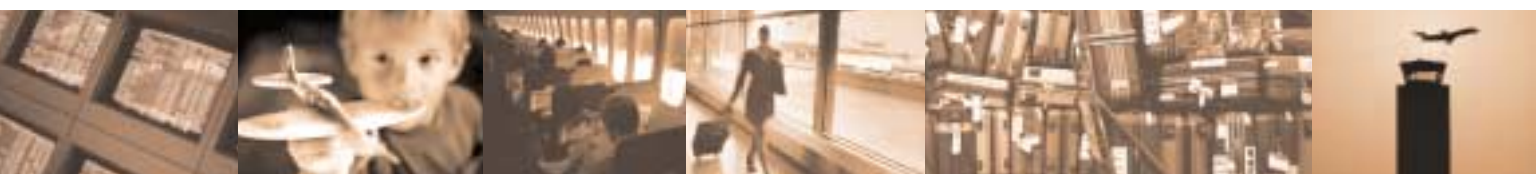
Overwhelmingly, complainants cited a lack of communication and a negative attitude of airline officials and employees as the key areas of their discontent. Complaints in those dual categories range from the simple act of refusing a passenger a second glass of water, as happened on flight from Frankfurt to Montreal, to a charter carrier ignoring the stress on an entire planeload of passengers stranded in an airport far from home because of unexplained delays.

*“Not only do I expect efficiency and effectiveness from the travel process, but also a certain level of comfort and assistance where required.” Passenger, August 2000.*

Normally, consumers know what to do if a company’s service is consistently poor – they take their business elsewhere. But for many domestic travellers, this is no longer an option.

In some cases, passengers said that inconsistent service was in many ways as stressful as a trip that was horrendous from start to finish. An Ottawa-area high tech executive who listed 12 separate instances of poor service during a two-month period said that he was so frustrated by his experiences that he asked his superiors to avoid sending him anywhere by air.

Quality of Service Issues	Received
Lack of Communication	528
Attitude	390
Line-ups/Waiting	187
Telephone Delay	180
Meals	100
Equipment	72
Handling of Complaint	63
Other	62
<b>Total</b>	<b>1,582</b>



**The Complaint:** A passenger spent almost two weeks trying without success to book a ticket to Missouri. “At times, I spent up to 2 hours and 45 minutes on hold on the phone; that is after taking approximately 30-40 minutes to get beyond a busy signal,” the complainant wrote in a letter sent to Air Canada president Robert Milton and copied to the Commissioner. Attempts to book the flight using Aeroplan points on Air Canada’s website were just as frustrating. When she entered the name of the city she wished to visit on the on-line reservation form, the only response she received was “ambiguous destination.” A frequent flyer with Air Canada, the complainant wrote that she did not consider that Air Canada was doing her a favour when she wished to get a ticket using her Aeroplan points. “My assumption is that I will receive good service or at the very least, reasonable service – that is, I will be able to get a ticket!” As a final insult, an Air Canada employee left a voice mail message to acknowledge receipt of an earlier letter, apologized and added that the air carrier was taking “action” in response to complaints. “Given the amount of time I have wasted with absolutely no positive results, I am hardly able to perceive a phone message as adequate ‘action.’” Having cancelled her original trip, the complainant asked for “effective action” to help her book another flight.

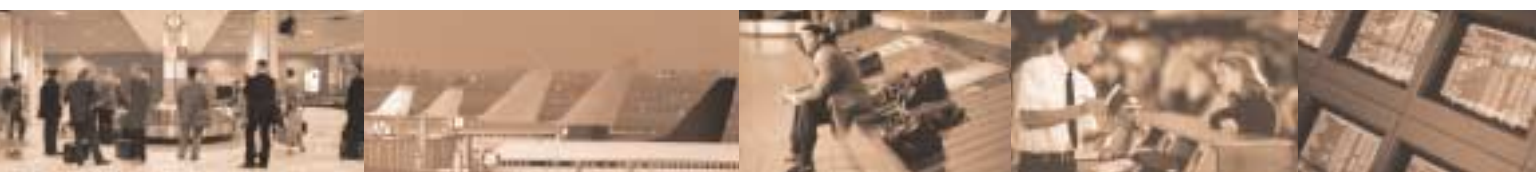
**The Resolution:** Following the intervention of the Commissioner’s office, an Air Canada agent contacted the passenger and booked a reservation to Missouri using her Aeroplan points. The agent noted: “She is satisfied now that she has her flights booked.”

## Flight Schedules

Few frequent flyers in Canada can boast that they have never lost a battle against this country’s natural elements in their efforts to get from point A to point B by air, or by any other commercial mode of transportation. Cancellations and delays caused by inclement weather, particularly in the winter, are accepted facts of Canadian air travel, no matter how reluctantly they are accepted. So, to a point, are rearranged flights that are caused by unexpected mechanical or technical failures.

Disruptions to schedules for no discernible reason or without explanation, however, are the bane of consumers who don’t appreciate unexpected and often unexplained changes to their travel plans. A majority of 56 per cent of flight scheduling complaints involved delays. With few exceptions, complainants objected most to not being told why the delayed aircraft was not leaving as scheduled and when they could reasonably expect to depart.

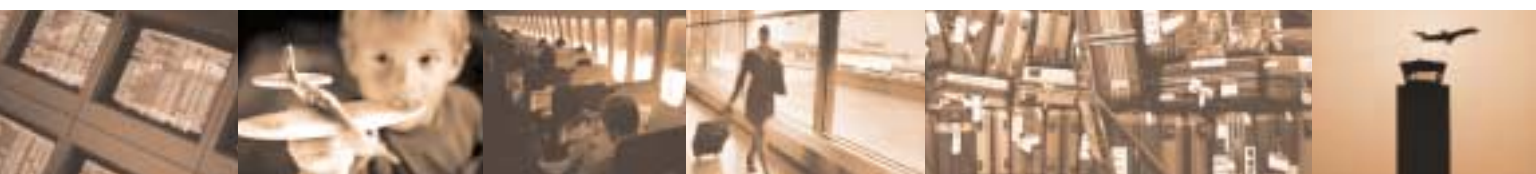
Indeed, flight scheduling can mean the difference between a connection made or missed, a vacation launched or spoiled, or a crucial business deal sealed or lost. In a fast-paced world where timing is everything, getting there is a problem no traveller wants to worry about.



Flight Schedule Issues	Received
Delay	375
Cancellation	193
Revised	101
<b>Total</b>	<b>669</b>

**The Complaint:** For a Toronto couple travelling with two small children on a Canada 3000 charter last summer, a normally routine flight home from Lisbon, Portugal turned into “one of the longest, most tiring, frustrating flights” the family had ever endured. Scheduled to depart on the morning of August 21, the flight was delayed or cancelled four times – including a cancellation at 2:40 a.m. that required an overnight stay at a hotel and a final delay of almost five hours in a crowded departure lounge. The aircraft finally lifted off 24 hours later. “I want to tell you that it is very frustrating to wait and to not know any news,” the passenger wrote to the Commissioner, adding that she and her husband each lost two days of work. “It is even more frustrating to try to take care of my sick 6-year-old daughter and 18-month-old son, tired and hungry with no access to food or drinks.” According to the complainant, the in-flight service during the 13-hour flight was less than impressive. Dinner was a cold plate with “a bit of tuna pasta salad with three slices of deli meats, lentil salad, fruit salad and stale bread thanks!” When the passenger asked for milk for her son, she was told that the catering service had not supplied any. Once the charter finally landed in Toronto, passengers were forced to wait without air-conditioning for another hour on the tarmac. “Children are crying, adults started to panic and feel closed in and I know that a passenger in the back fainted,” the complainant recalled.

**The Resolution:** Following the intervention of the Commissioner’s office, a Canada 3000 passenger services official explained in a letter of apology to the passenger that due to unavoidable constraints, air carriers cannot guarantee schedules. “Unfortunately, delays are sometimes subject to conditions beyond our control and every effort is made to ensure the comfort and safety of passengers in the interim.” As a gesture of goodwill, Canada 3000 enclosed a cheque for \$600 “as full and final settlement to defray any out of pocket expenses associated with the delay.” The passenger replied by fax that she was satisfied with the outcome.



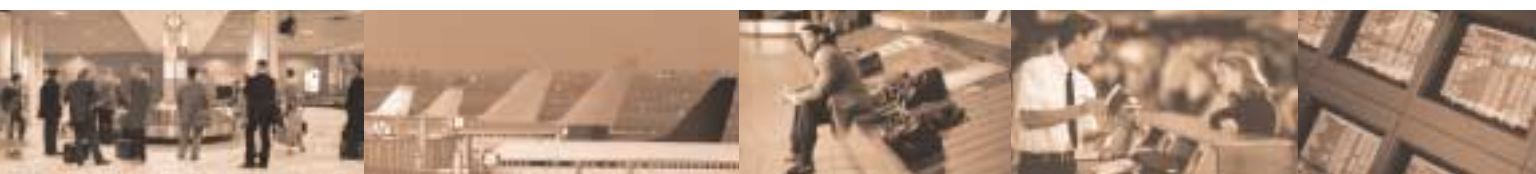
## Baggage

Passengers agree: delayed or damaged luggage spoils trips. That simple fact lies at the heart of most baggage complaints air travellers have against carriers entrusted to safely transport their belongings from one point to another. Most missing bags eventually turn up. Particularly irritating to passengers is when their luggage is not recovered until the end of a vacation or business trip, and then is returned without an apology or explanation.

Delayed baggage accounts for 51 per cent of baggage issues while lost baggage represents 29 per cent. Damaged baggage, at 12 per cent, may happen less frequently but is no less vexing. Most airlines are luggage-sensitive despite the limited liability they have for the loss, delay or damage of baggage. Several complainants, however, suggested that air carriers could be more demonstratively sympathetic to the stress these incidents provoke.

Baggage Issues	Received
Delayed	206
Lost	119
Damaged	49
Excess	17
Liability	9
Size Limits	6
<b>Total</b>	<b>406</b>

**The Complaint:** Visitors on an extended holiday in Canada last summer spent several days of their journey without the contents of three pieces of their luggage, which had apparently gone on a separate trip of their own. “It caused us great stress and inconvenience which we detailed in a letter to Air Canada, along with documentation, receipts requesting reimbursements for the purchases which were necessitated by the incident,” the passenger e-mailed the Commissioner. The passenger added that they had sent the claims package by courier to Air Canada at the end of August but months later had not heard a word from the airline. “They have no toll-free number to call to get a status report. Of course, when we were in Canada all we got was a computer saying all the lines were busy. We know Air Canada was all messed up this past summer but they should at least send us a status report.”



**The Resolution:** Following the intervention of the Commissioner, an Air Canada claims representative sent the complainants a letter on November 14 with an apology for the inconvenience caused when “your luggage was not available for you on arrival recently.” Enclosed was a cheque for \$100 US to cover the cost of interim clothing and toiletries.

## TYPES OF REMEDIES SOUGHT

A large number of consumers sought an explanation and/or apology and turned to the Commissioner for help when they felt that air carriers were less than candid, courteous or prompt. Passengers also understandably expect fair compensation when it is due. In 80 per cent of the cases, compensation plus an explanation and apology would have satisfactorily resolved the issue for the consumer.

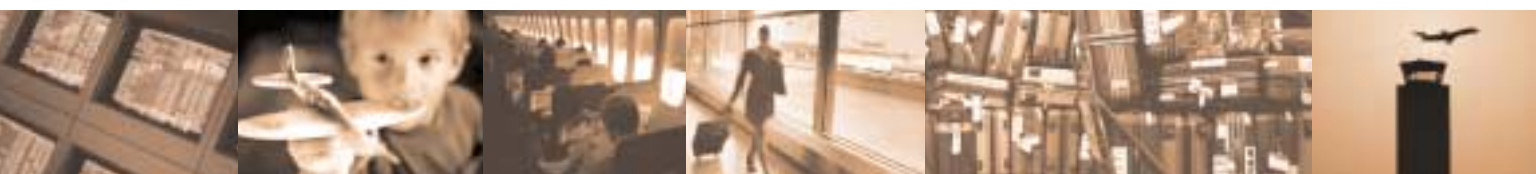
Several complainants said they were irritated by form letters from air carriers with generic apologies that brushed aside their complaints. One passenger who received a reply from an air carrier that addressed him by his surname alone complained that the letter also referred to issues he did not even raise.

*“The form letter does not sound as though it has been written by an airline with anything to learn from customer complaints. This kind of ‘Customer Relations’ response does nothing but further irritate customers.” Passenger, November 2000.*

### Remedies Sought by Complainants

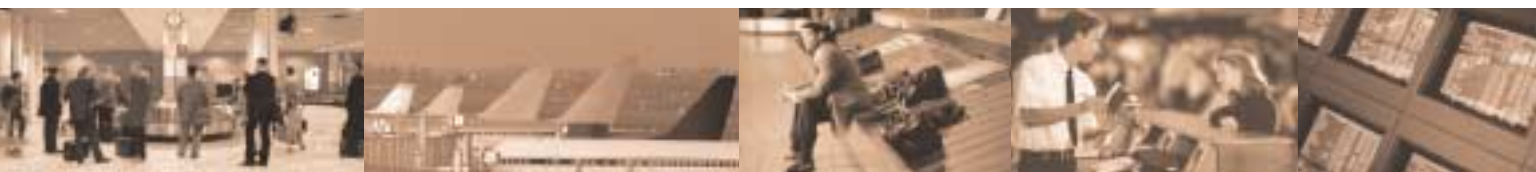
Compensation	507
An explanation	505
Apology	222
Refund	168
Future travel voucher	100
Regulatory change	40
Air carrier policy change	10
<b>Total</b>	<b>1,552</b>

\* Note: Not all complainants identified remedies for their issues



In another case, a couple travelling on American Airlines complained when a series of unexplained delays resulted in their loss of a day's pay. They expressed satisfaction when, after intervention by the Commissioner, the carrier sent two travel vouchers with a personalized letter that correctly addressed their complaints and apologized for the frustration they must have felt.

Most complainants appeared unaware of their existing 'rights' as passengers, guarantees that are embedded in the carrier's tariff, or customer policies. For example, some carriers say they will provide passengers with a snack voucher if there is a flight delay of more than an hour; if the delay stretches to two hours, the passenger may be entitled to a meal. A carrier's tariff may also stipulate that a passenger bumped from an international flight is eligible for \$200 cash and a seat on the next available flight, even if it is in business or First Class. These provisions vary from carrier to carrier, however, and often only come to light when a passenger asks for them.





## MASTER TABLE: ALL CARRIERS – COMPLAINT ISSUES

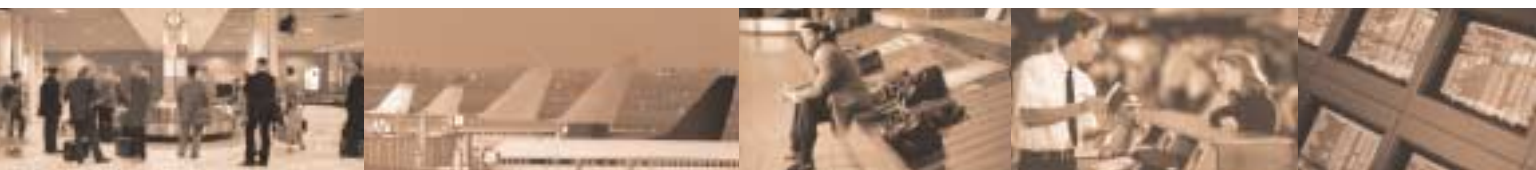
July 5, 2000 to December 31, 2000

### CANADIAN CARRIER

	Allergies	Baggage	Cargo	Charges	Denied Boarding	Fares	Frequent Flyer Program	Quality of Service
Air Canada	4	243	19	11	54	127	95	1,016
Air Canada's Affiliates								
Air BC		2			1			4
Air Nova		6			2			11
Air Ontario		3						16
Canadian		42	2		13	9	24	159
Canadian Regional		2			2	1		10
Air Inuit		1	2			2		1
Air Labrador								
Air Montreal								1
Air Transat		21	3	1	6	1		92
Aviation Skyservice		4			3			18
Calm Air		2				1		1
Canada 3000		13	1	6	8			72
Central Mountain Air					1			1
First Air		1				2		1
Interprovincial		1						4
Royal		3		2	2	1		49
WestJet				1		1		1
<b>TOTAL</b>	<b>4</b>	<b>344</b>	<b>27</b>	<b>21</b>	<b>92</b>	<b>145</b>	<b>119</b>	<b>1,457</b>



	Reservation	Safety	Schedule	Smoking	Ticket	Unknown	Unaccompanied Minors	Unruly Passenger	Total Issues	Total Complaints
	77	32	409		106	4	8	6	2,211	769
										0
			2						9	3
	1		10						30	10
		1	7						27	7
	12	3	77		10	2	1	2	356	128
	1	1	9						26	10
									6	2
	1								1	1
		1			1				3	1
	5	25	42		7				203	69
	1	2	10			1	1		40	11
			1						5	3
	3	11	29		8			1	152	53
									2	1
									4	3
			1						6	2
	4	9	22		4		1	3	100	30
			1					2	6	2
	<b>105</b>	<b>85</b>	<b>620</b>	<b>0</b>	<b>136</b>	<b>7</b>	<b>11</b>	<b>14</b>	<b>3,187</b>	<b>1,105</b>



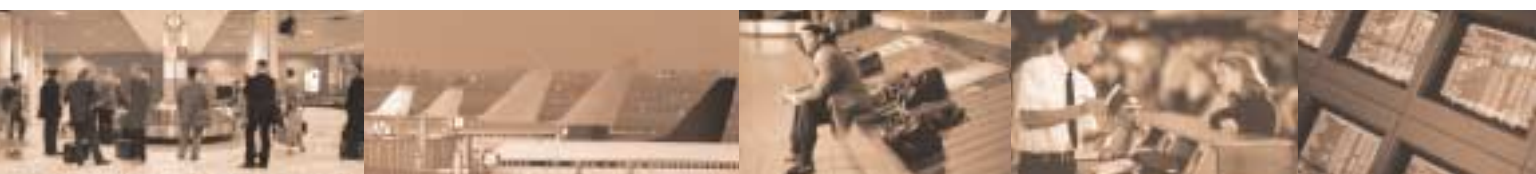
## July 5, 2000 to December 31, 2000

### FOREIGN CARRIER

	Allergies	Baggage	Cargo	Charges	Denied Boarding	Fares	Frequent Flyer Program	Quality of Service
30,000 Island Air								
Aeroflot - Russian International Airlines					1			2
Air Afrique		2						
Air China		1						
Air France		3	1	1	2			8
Air Pacific						1		
Alaska Airlines, Inc.		1						
Alitalia-Linee Aeree Italiane, S.P.A.		7			2			9
American Airlines, Inc.		7			3			11
British Airways		1		1	1	2		8
British Midland Airways Ltd.		2						4
BWIA International Airways Ltd.								
Ceske Aerolinie A.S. (Czech Airlines)		1						2
China Southern Airlines								2
Nationale de Transports Aériens Royal Air		2						1
Continental Airlines		1						2
Corsair		1						
Cubana de Aviacion S.A.					2	1		3
Delta Air Lines, Inc.								4
Finnair OYJ		2						4
Iberia Air Lines of Spain								
Japan Airlines Company, Ltd.								
K.L.M. Royal Dutch Airlines		2		1	2	1		6
Korean Air Lines Co. Ltd.				1				
LCSA		12			2			17
Lufthansa German Airlines		5					1	10
Mesa Airlines								
Mexicana Airlines								4
No Specific Carrier Identified		2		2	2	2	2	8
Northwest Airlines, Inc.		2						
Olympic Airways, S.A.		1						3
Pakistan International Airlines Corp.								6
Royal Jordanian					1			
SEBENA Belgian World Airlines								1
TACA Airlines		5						2
Thai Airways International Public Co.								1
United Air Lines, Inc.		2						3
USAir					1			4
<b>TOTAL</b>	<b>0</b>	<b>62</b>	<b>1</b>	<b>6</b>	<b>19</b>	<b>7</b>	<b>3</b>	<b>125</b>
<b>GRAND TOTAL</b>	<b>4</b>	<b>406</b>	<b>28</b>	<b>27</b>	<b>111</b>	<b>152</b>	<b>122</b>	<b>1,582</b>



Reservation	Safety	Schedule	Smoking	Ticket	Unknown	Unaccompanied Minors	Unruly Passenger	Total Issues	Total Complaints
				1				1	1
								3	1
								2	2
								1	1
		2						17	6
								1	1
								1	1
	1	3		2				24	9
1		21		2				45	16
1				1				15	6
								6	2
				3				3	2
								3	1
		1						3	1
		1						4	3
	1	2		1				7	1
				1				2	2
		1	2					9	4
		2		1				7	1
								6	2
				1				1	1
	1							1	1
1		1		1				15	7
1				3				5	2
								31	11
1	2	2		1				22	9
		1						1	1
	1	2						7	1
	5	1		2	4			30	22
		2		1				5	3
1		2		1				8	4
1	2	1		1				11	3
				1				2	1
								1	1
				1				8	4
	1					1		3	1
	1	1						7	3
		3		2				10	5
<b>7</b>	<b>15</b>	<b>49</b>	<b>2</b>	<b>27</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>328</b>	<b>143</b>
<b>112</b>	<b>100</b>	<b>669</b>	<b>2</b>	<b>163</b>	<b>11</b>	<b>12</b>	<b>14</b>	<b>3,515</b>	<b>1,248</b>



## OBSERVATIONS AND RECOMMENDATIONS

It is important to distinguish between trends and isolated incidents. Certainly the frequency of a complaint, such as repeated complaints involving quality of service, suggests that something is wrong and needs to be fixed. Whether these are addressed by the air carriers or by government regulation is not necessarily a matter for the Commissioner to deal with at this stage of his mandate.

### OBSERVATIONS

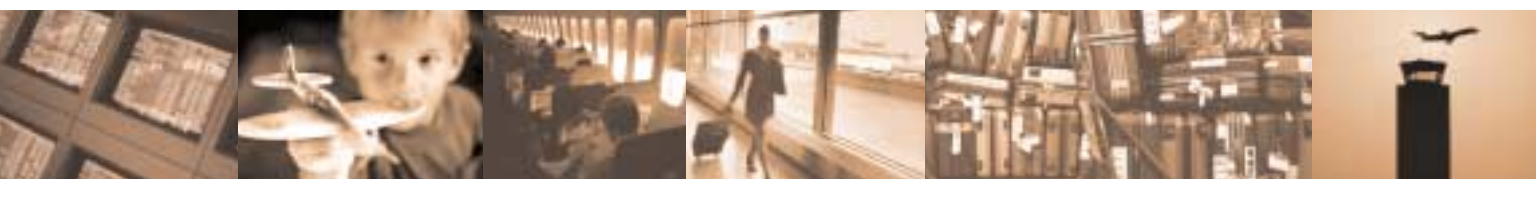
An analysis of the complaints received by the Commissioner permits the following general observations:

#### Commissioner's Office

- Customer dissatisfaction with airline service has resulted in a large increase in the number of complaints received. During the first six months of operation, for example, the Commissioner received more than seven times the number of complaints the Agency received throughout the whole of 1999.
- A lack of statistics precludes meaningful interpretation in several key areas of air travel. In particular, it is difficult if not impossible to assess the performance of one carrier against that of another without timely data such as: the number of passengers carried, numbers of on-time arrivals or departures, the number of complaints received by the carrier and statistics on lost luggage.

#### Air Canada's Acquisition of Canadian Airlines

- The integration of Air Canada and Canadian Airlines created problems for air travellers, perhaps more than most expected. However, the disruption caused by the acquisition was not the only source of dissatisfaction. Complainants cited incidents that involved air carriers not affected by the merger. A significant number of passengers also lodged complaints that were unrelated to the problems incurred by Air Canada when it absorbed the operations of Canadian.
- Canadians in general are concerned that the disruptions caused by the acquisition, and acknowledged by Air Canada in its report on the progress of its 180-day commitment, may not be wholly transitional in nature. Indeed, many Canadians are wary that a dominant carrier could run roughshod over the rights of air travellers seeking not only value but also quality for their money.



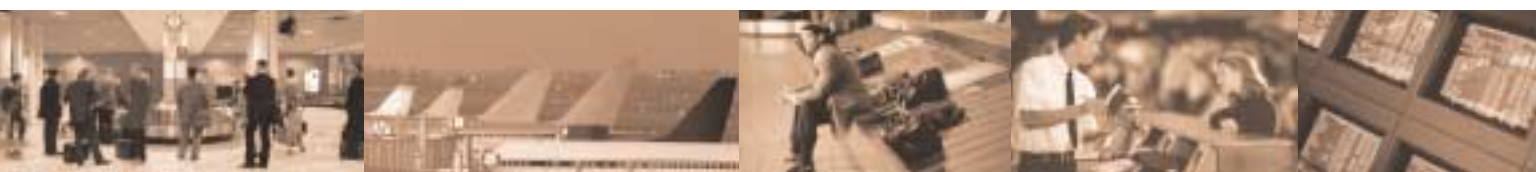
- During the most chaotic period in the summer of 2000, the majority of complaints against Air Canada involved a perceived or a real decline in the quality of service provided by the airline.
- At this point of the restructuring process, three areas of consumer dissatisfaction – quality of service, flight schedules and baggage problems – clearly dominate the nature of issues brought before the Commissioner.

### **Complainant Profile**

- A majority of the written complaints came directly to the Commissioner's office, and then were forwarded to the carrier involved. This suggests that many Canadians may not be familiar with the process that the Commissioner follows in the course of handling complaints, or they may have purposely chosen this route to guarantee action.
- Virtually all of the complaints received by the Commissioner that involved prior correspondence by the complainant with the air carriers merited follow-up. Only two of the total complaints resolved were classified as being unfounded.
- Few complainants raised only one issue in their letter of complaint. This suggests that a single incident can have a cascading affect on a consumer's air travel experience. It may also arguably lead to a conclusion that the negative experience might have been reversed at more than one point of the journey had proper action been taken.
- In most Level Two complaints, the Commissioner's intervention resulted in the issue of complaint being resolved to the satisfaction of the complainant. Many of the complainants took the time to write a word of thanks to the Commissioner.

### **Air Carriers**

- In general, it is assumed that air carriers do not want to have unsatisfied customers and therefore have every good intention of identifying and processing consumer complaints. As well, it could be assumed that carriers would use those complaints to critique their level of service in those areas.
- Some consumer complaints lodged with an air carrier without action are dealt with when they are brought to the carrier's attention by our office. Several complainants noted that once the Commissioner became involved, the complaint was acknowledged and handled in a better fashion.





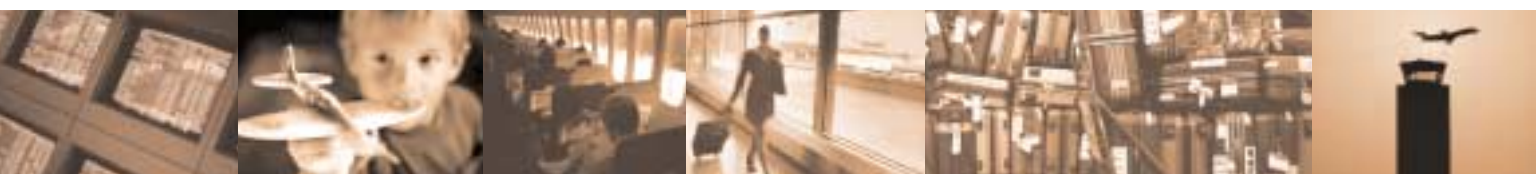
- The Commissioner received relatively few complaints against foreign carriers. Consumers may be unaware that the Commissioner's authority extends to foreign carriers that are licensed by the Agency.

### **Communication**

- No matter what the reason for the complaint, passengers want to be able to communicate with the carrier. That includes a full and frank exchange when there are delays or cancellations. It also includes speedy access to services such as reservations agents and frequent flyer programs. It most certainly involves a prompt and respectful response from the carrier when problems arise – not only when the complaint is made in written form but first and foremost on the ground or in the air, where and when the problem occurred.
- The frustration of passengers is only further fuelled by condescending form-type letters that brush off their concerns or worse, do not refer to them at all.
- The overwhelming majority of complaints about quality of service involved the lack of communication by a carrier, a negative attitude exhibited by airline employees and a lack of respect for the paying passenger. Several complainants noted that they were unaware of their rights. Those rights are a matter of public knowledge as listed in every air carrier's tariff. Moreover, several passengers said that when they questioned airline employees about their rights, they were often rebuffed or passed along the chain.

### **Baggage**

- The sting of delayed luggage is often softened by a sympathetic and helpful response from the people who lost the luggage in the first place. Almost every baggage complaint that required the Commissioner's intervention was settled satisfactorily once the carrier acknowledged the inconvenience caused by the delay or loss, and provided suitable compensation.
- Damaged luggage is a personal affront to many passengers. You broke it; you fix it or replace it.



## RECOMMENDATIONS

**1. The Commissioner strongly recommends that air carriers be more willing to acknowledge that a problem has occurred as soon as that problem is brought to their attention.**

The travelling public expects and deserves respect as well as services of the highest quality for its dollar. If there are problems, passengers must be given the courtesy of speedy and meaningful explanations as well as fair compensation when warranted. Airlines can no longer retreat behind form-type letters to consumers.

**2. The Commissioner strongly recommends that air carriers immediately inform passengers if there are any changes to scheduled flight times or route diversions – whether their customers are waiting in the terminal, in a plane on the tarmac, or in the air.**

That information should be updated continually and include the reasons for the disruption of service. A publicly accessible airport information system that provides current and accurate data should be available.

**3. The Commissioner strongly recommends that carriers provide passengers easier access to the terms and conditions of carriage as detailed in their tariffs.**

Passengers should not have to inquire about their rights; they should be made aware of them from the outset. This information should be presented in a clear and concise format and be distributed to check-in counters at all airports as well as to travel agencies. Needless to say, those rights should be applied to all passengers, not just to those who know that they exist.

**4. The Commissioner recommends that air carriers empower their employees to deal with a wide range of situations.**

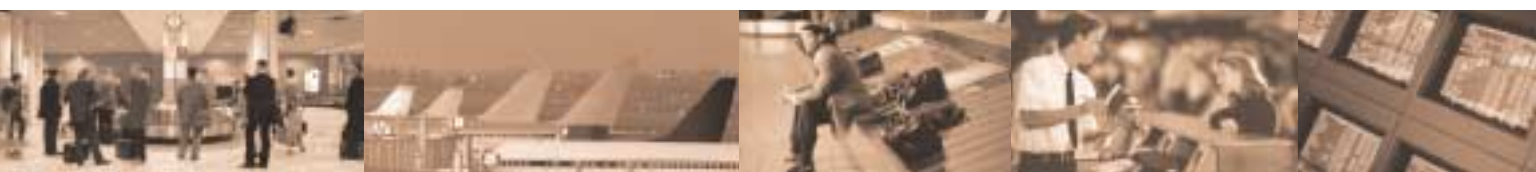
Ideally, each employee at every airport terminal should be a ‘conciierge’ for all passengers.

**5. The Commissioner recommends that air carriers find a better system of handling luggage, and finding it when it is lost or delayed.**

An electronic tracking system, for example, could be used to locate the whereabouts of baggage gone astray. Passengers need to know as soon as possible where their luggage is and when it will be returned, even if it might take longer than anyone might hope.

**6. The Commissioner recommends that air carriers make available regular and timely reports of their service performance.**

In the interest of providing quality service for consumers, air carriers should take the opportunity to supply statistics – such as passenger loads, actual departure and arrival times, and lost and delayed baggage claims – to enhance the evaluation process of their services.



## THE LAST WORD

My success as Air Travel Complaints Commissioner relies on more than my ability to publicly bring problems to light. I am not here merely to blow the whistle or call the shots. My role is to take appropriate action to solve complaints as well to identify systemic problems with a carrier in order to ensure that the quality of service of air travel for Canadians is the best it can be for both consumers and the industry itself.

The use of “public embarrassment” is only one of the tools at my disposal. In many cases, a complaint is resolved once it has been brought to the attention of the carrier; other cases involve greater intervention by my office on behalf of the passenger. In my opinion, solving the problems of even one dissatisfied air traveller, not to mention hundreds, is well worth the effort. Certainly we are proud of the number of cases we closed, the majority of them to the satisfaction of both parties.

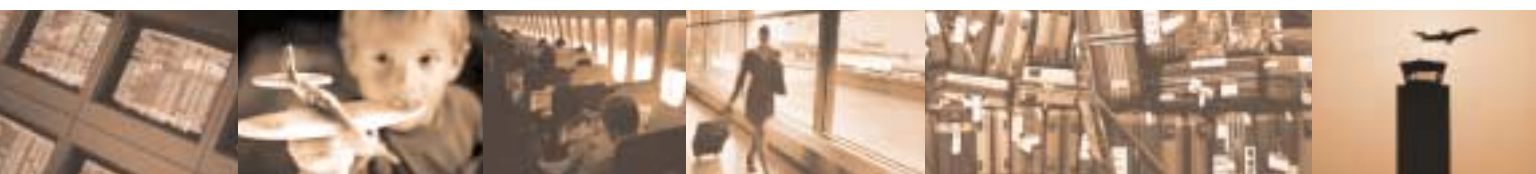
Over a period of six months, the Agency went from handling a small number of complaints into high gear. The first batch of complaints to review and resolve were already arriving by July 5, 2000 when the *Canada Transportation Act* was changed. Literally overnight, complaints were arriving at an average rate of almost 50 letters a week.

The task did not start and end with sifting through the 1,248 letters we received, or answering the queries from the many hundreds of calls to our office, or even at gathering the facts and drafting correspondence to complainants and carriers. At the same time, we were busy establishing a complaint handling process that was thorough, flexible, and fair. That was a job that could not have been accomplished without the diligence and talent of our team at the Agency. I thank the members of our team for the support each has given in the operation and ongoing restructuring of the complaints handling process.

In the coming months, we will further refine our techniques to better adapt to the fluid nature of an air travel industry that continues to deal with growing pains. As well, we will explore new avenues in our effort to build solid service standards as a benchmark against which to measure the quality of service that consumers demand and that air carriers, like any good businesses, appear anxious to provide.

We can't do this alone. The experience of the first six months proves to us that complaints could be resolved faster if all air carriers communicated more openly with the Commissioner's office. Our structure allows great flexibility. What we are asking for is co-operation so that each complaint can be processed as quickly and as efficiently as possible.

Air carriers need to assume an even greater role in educating customers about the rights they have under the carrier's rules and regulations. Passengers have to realize that they too must respect the needs of air



carriers. Responsibility is a two-way street. The more the passenger knows about the requirements of an air carrier, the more responsible and in control of their particular circumstances they will be.

Our relationship with the public is of vital importance. The Agency's website is a crucial link to the traveling public and an invaluable tool in the complaint process. In fact, 57 per cent of our complaints came via the Internet. We are continuing to expand and further enhance our site. The reach of the electronic medium cannot be underestimated. In the United States, a handful of independent consumer websites such as [www.passengerrights.com](http://www.passengerrights.com) and [www.airlinesuck.com](http://www.airlinesuck.com) are dedicated to forwarding complaints to airlines.

A further objective is to broaden our reach to consumers across the air travel spectrum. That means a greater involvement in trade and air travel shows and an increased emphasis on speeches and presentations at meetings and conferences of various organizations across Canada. It means establishing a visible presence, perhaps through advertising and the placement of posters in airports. It also means encouraging my former colleagues in the travel agency business to participate in our efforts to find quicker and more efficient ways to resolve complaints for their clients.

Communicate, communicate, communicate! I believe that carriers have every good intention of satisfying their customers. A major lesson from our experience is the power of communication. There are improvements to be made at every stage of their involvement with passengers.

Certainly, air carriers can improve upon the way they handle complaints. For one, they need to deal with the issues in a complaint in a respectful and unchallenging way. They also need to acknowledge complaints and act on issues in a timely fashion. A great number of complaints are the result of a lack of proper communication by the air carrier, which often creates a misunderstanding between the traveller and the airline. As an impartial party, our role is to assist in the resolution of consumer complaint issues in the interest of all concerned.

In addition, information I have received via conversation and telephone calls indicates that there may be a justification for a wider realm of responsibility for this Office in the future. I will further address this issue in my next report.

Since I have the luxury of a last word, may I also include my own favorite way to stop a dispute in its tracks or at least keep it from escalating. In every instance – whether it involves an inquiring passenger who has lost his luggage, a flight attendant on shift with a full passenger load, or an airline representative explaining why a flight has been delayed – what works well is a friendly smile.

