

Coronavirus: airlines warned over £7bn in fares owed to passengers for cancelled flights

Many airlines are issuing vouchers by default rather than refunding ticket buyers unable to fly

By Ben Clatworthy

Sunday May 10th 2020, 12.01am

The Civil Aviation Authority (CAA) is investigating airlines' failure to refund more than £7bn for flights cancelled because of the coronavirus as concern grows that they are breaking the law.

The regulator has sought information on the handling of refunds and said it would not accept carriers "systematically" denying consumers their rights.

Under European law, passengers whose flights are cancelled are entitled to a refund within seven days. Many airlines, including Virgin Atlantic and Ryanair, are issuing vouchers by default and British Airways has removed the option to get a refund from its website.

Richard Stephenson, communications director at the CAA, said: "Under the

law, consumers are entitled to receive a refund for cancelled flights, despite the challenges the industry is facing."

An investigation by Which?, the consumer group, found that none of the UK's 10 largest airlines was meeting the legal requirements to return cash in seven days.

The industry was thrown into crisis in March as countries started closing their borders. It will be dealt a further blow next month when returning travellers are expected to be told to self-isolate for 14 days. BA says it is to make 12,000 staff redundant while Virgin, which does not plan to resume operations at Gatwick, is to shed 3,150 jobs.

Under the Enterprise Act 2002, the CAA

can seek an enforcement order from the court. "It is important that consumers are given a clear option to request a cash refund without unnecessary barriers," Stephenson said. The CAA is understood to be sympathetic to offering vouchers "where it makes sense for the consumer".

Ryanair and Virgin have said vouchers can be refused and cash requested, although Michael O'Leary, the Irish boss of Ryanair, has warned that it could take six months for people to get their money.

Airlines UK, which represents carriers, said: "UK airlines are paying refunds to passengers who request one; however, owing to the unprecedented increase in demand, these may take longer than normal.

" The CAA has written to airlines to say it is looking into publishing new guidance to take into account the hurdles carriers are having to grapple with, as well as provide clarity to passengers, and we look forward to this."