



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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PRESS RELEASE

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Consumers “ticked off” by online air bookings

The Consumers’ Association of Penang (CAP) calls on the Ministry of Transport to address problems often arising during or after on-line air travel booking that plagued consumers.

One common problem for those who are not careful or not computer savvy about on-line booking is the pre-selected optional extras such as travel insurance and seat selection which incurs additional cost. A person booking a ticket has to untick a box that is accompanied by a statement saying to the effect that *if* the tick on the box is not removed then it is assumed that the person has agreed to purchase the travel insurance policy. The airlines often protects itself with a statement such as this, ***“I have read and understand the Product Disclosure Statement”***.

Often this pre-ticked box is buried in a wordy page and is easy to miss out. When one realised that the insurance cost had been added into the ticket price, it is impossible to return to the insurance page to untick the box, unless the entire process of booking the ticket is repeated and by then the price might then be different.

In New Zealand, Jetstar formally ceased such opt-out pricing since March 2016 after a one-year “Ditch the Tick” campaign that Consumer NZ launched with its Australian counterpart, Choice. In line with this, CAP calls on our local airlines to ditch this too. The United Kingdom (UK)’s Financial Conduct Authority is planning to ban pre-selected optional extras under the Consumer Contracts Regulations.

CAP has been addressing several complaints related to this. Some of which are:

CASE 1

An increase of ticket price without any rhyme or reason. A complainant who came to CAP is a good example. He bought a MAS economy class Penang-Bangkok return ticket in February 2014 which was initially priced at RM606 inclusive taxes and surcharge. This was subsequently increased by RM98 and he had to pay RM704 with a screen displaying a booking statement “Review Your Itinerary and Price”. The full price of a ticket was not displayed until it about time to make payment. By then it would have chalked up a considerable sum inclusive taxes and surcharges, even more with insurance, without citing a reason or explanation about the raise in fare.

Responding to CAP’s enquiry, MAS explained that the on-line fare is definitely different because the fare has not been confirmed. In fact there is a statement that says: “Prices are in MYR for all passengers, excluding taxes and fee Additional baggage and fees may apply. The prices shown are intended to help you decide the most suitable option(s). The exact total will be shown after you have selected your outbound and inbound options may be higher than the amount shown on this page.”

This is an obvious catch because what you see is probably not what you get. It is clearly stated that the initial fares are merely indicators to help you make your choice, without showing miscellaneous fees and a fare that is higher than what you had bargained for. This statement attempts to exonerate the airline for springing last minute surprises and this is unfair to its customer.

It is often that the price display for on-line booking to ‘time-out’ so fast that a potential customer does not have time to compare prices with other airlines for the best deal.

CAP also finds that costs such as the fare, airport tax (now known as ‘Passenger Service Charge’), and taxes that are required to be paid by each passenger should be displayed from the start of the booking so as to enable the person to make an informed decision. Excuses such as the fluid prices of fuel causing ticket prices to be unpredictable is no longer valid because both MAS and Air Asia has removed ‘fuel surcharge’ from the cost of their tickets; MAS in stages since 2013 and Air Asia in 2015.

CASE 2

A passenger booked a flight in March 2015 with Air Asia to fly from Kuala Lumpur to Narita, Japan, in October 2015. Then on 21 August 2015 Air Asia informed him that it was suspending flights from Kuala Lumpur to Narita effective 20 August 2015. Therefore his flight would be diverted to the Haneda airport. If Mr Z does not want to take the rerouted flight then he has to choose either one of the two options given by Air Asia: 1) From Kuala Lumpur to Don Muang, Thailand, and from Don Muang to Narita, Japan, or 2) A Credit Shell of the value paid to be used within 180 days from the date of issuance.

Either way the passenger would be receiving a raw deal despite having booked six months ahead of his trip. The airline informed him of the rerouting less than one-and-a half months from the departure date to find an alternative travel plan. If he had chosen Credit Shell, he would have less than six months to use up his credit by purchasing another ticket from Air Asia, failing which his credit will be forfeited.

CASE 3

A passenger booked a set of four tickets when the website of Air Asia ‘crashed’. Thinking that the booking she made did not get through, the passenger re-booked the seats and received a double billing. When she requested for a refund, she was given a run-around before given a credit note on 14 January 2016 which has to be used within a year but tickets must be booked by April. With CAP’s intervention, the airline finally reimbursed her.

CAP asks why it was so difficult for the airline to reimburse in cash instead of choosing to offer Credit Shell which the person may not be travelling within the next six months after that ‘memorable’ experience. In the above case, the passenger was inconvenienced through no fault of her own and was expected to purchase tickets within three months to avoid getting her credit worth AUD1,748 (about RM5,200) forfeited by the airlines.

CASE 4

Ms X had a different experience. She found her luggage missing when she arrived on a transit flight in Frankfurt, Germany, from Rome on 4 August 2014. She proceeded to file a report with Alitalia airlines. She was told that her delayed luggage would arrive the next day. However, she only got her luggage 16 days later. To survive during this period, she had to cancel her visit to several European countries. On 17 November 2014, the airlines informed her that they are going to compensate her EUR175.18 (RM732) based on the receipts for “first necessities expenses”. Ms X reiterated that her receipts totalled EUR190.10 (RM839) and finally, on 18 December 2014, Alitalia agreed to reimburse that amount.

After having received so many complaints concerning the airlines, CAP suggests that the Ministry of Transport should seriously consider adopting UK’s Consumer Contracts Regulations (implemented on 13 June 2014) to protect consumers from unscrupulous business people. Airlines should be regulated by the Ministry of Transport to ensure that they are abiding by a certain legal framework for the betterment of the consumers.

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