

THE NO-FRILLS REVOLUTION

We give you our three steps to getting a better deal, and ask whether no-frills airlines have been a good thing for passengers

The big no-frills airlines, Ryanair and EasyJet, flew more than 55 million passengers between them in the last year – 19 million more than British Airways. It's the latest sign of the incredible speed at which no-frills airlines have grown.

The impact on the industry as a whole has been phenomenal. For example, in summer 1993, a *Holiday Which?* survey found that the cheapest scheduled return flight to Rome was £232; these days, you can find a fare for half that price.

And now the more traditional airlines have started fighting back. To get the best deal from the new-look airline industry, follow our three steps to smart booking, which start opposite. And read on to find out whether the no-frills revolution has really been a good thing for passengers – we've pitted the cheaper tickets against the failings in customer service and growing concerns about safety.

THE BENEFITS OF NO-FRILLS FLYING

There are two types of traditional airline, charter and scheduled. Charter airlines are owned and used by package tour operators. Scheduled airlines are the traditional flag carriers such as British Airways.

No-frills airlines are scheduled airlines which don't offer on-board freebies such as meals; they fly mostly within the European Union, where regulations allow them to compete on any route.

And the first thing to say is that people love them; a *Holiday Which?* survey earlier this year found

The first thing to say is that people love no-frills airlines

much enthusiasm for no-frills airlines. In fact, BMIbaby, EasyJet, Flybe and Jet2.com are among people's favourite airlines. Ryanair is less popular, though people are still enthusiastic about the value for money it provides.

There is, of course, a certain trade-off. Ryanair and EasyJet are at the forefront of innovation to cut costs; it's no coincidence that passengers rate them poorly for seat comfort, cleanliness and seat allocation. And no-frills flights can have the added

inconvenience of flying to a secondary airport that's a few miles from your final destination. Still, that hasn't stopped millions of people flying with them each year, so they must be doing something right.

Perhaps the best thing about the success of no-frills airlines is that it's forced more traditional airlines, such as British Airways and Aer Lingus, to play catch-up. The pressure to compete on price has benefited passengers on all types of airline.

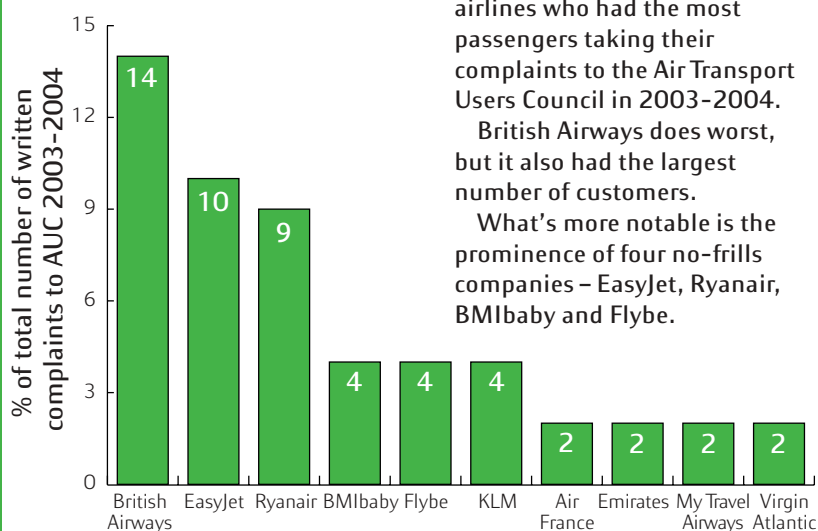
However, it's not all good news. There are a few problems with some no-frills companies' attitudes, starting with how they deal with complaints.

WHAT HAPPENS WHEN YOU COMPLAIN

You can see from the graph below that some of the airlines who handled complaints poorly in 2003-2004 were no-frills.

It shows how many customers contacted the Air Transport Users Council (AUC), the airline watchdog, because they were unhappy with

Poor complaints handling



This graph shows the ten airlines who had the most passengers taking their complaints to the Air Transport Users Council in 2003-2004.

British Airways does worst, but it also had the largest number of customers.

What's more notable is the prominence of four no-frills companies – EasyJet, Ryanair, BMIbaby and Flybe.



SMART BOOKING 1: The real price

Don't trust the headline prices.

It's generally cheaper to buy online. And when you're shopping around, check out the traditional airlines' prices as well as no-frills airlines'.

That sounds simple enough – a few minutes online and you can easily compare prices on the companies' websites. However, the headline prices tell you little about what you'll actually pay.

That's because companies routinely exclude taxes and charges from the first fare you see when you search a website – even though that's not allowed in adverts.

What's more, airlines vary the size of their charges. Once you add them to the initial price, the cheapest airline can become one of the most expensive.

The example that we've shown (right) demonstrates this for a return flight from Gatwick to Amsterdam – British Airways looks cheaper at first but it charges £35 more in fees than EasyJet.

You need to go through the booking process to get the full price, including all taxes and charges.

The Air Transport Users Council (AUC), the airline watchdog, reports that last year British Airways kept its overall prices the same

but increased the proportion made up of taxes and charges.

In other words, the headline prices appeared to come down but people still paid the same total amount.

Simon Evans of the AUC is clear about the airlines' motivation: 'It is intended to mislead.'

The good news is that EasyJet has broken free from the pack and aims to include fees in headline prices by the end of the year.

PRICE WEBSITES

As a starting point, try comparing prices on these websites: www.travelsupermarket.com, www.skyscanner.net and www.traveljungle.co.uk.

Gatwick to Amsterdam return

easyJet		BRITISH AIRWAYS	
Headline price			
£80		£64	
British Airways looks £16 cheaper			
+		+	
Taxes, fees & charges			
£10		£45	
=		=	
Real price			
£90		£109	
British Airways is actually £19 more expensive			

Prices gathered June 2005

how the airline dealt with their complaint. British Airways fared the worst – though, that said, it did carry around nine million more passengers than either EasyJet or Ryanair.

However, these figures don't show one of the biggest issues; there are worrying signs that certain no-frills airlines are sidestepping some of their responsibilities to customers.

The responsibilities in question were introduced by the European Union in February to cover cancelled or delayed flights (see 'Your rights to compensation', opposite). They give airline passengers far more rights to assistance and compensation than in the past. Previously, traditional airlines tended to offer more assistance, such as overnight accommodation for late night

delays. But now the new regulations force all airlines to provide the same standard of help.

Nearly all airlines, no-frills and traditional alike, are unhappy with the regulations' introduction. But, according to the AUC, some companies have nevertheless responded well, while a couple of no-frills companies have tried to wriggle out of their obligations.

In particular, Jet2.com and Ryanair have told passengers that they won't provide assistance during a delay when the problem with a flight is beyond their control.

Ryanair argues that the cost of paying out compensation to customers will put fares up – and no-frills airlines argue that it has a disproportionate impact on airlines that offer low

SMART BOOKING 2: The small print

Scrutinise the terms and conditions.

CHARGES

Usually, if you've bought the cheapest fare, scheduled airlines won't let you make changes to your flight. Charter and no-frills airlines can be more flexible. But if they do, it can be expensive. Excel charges more the nearer you are to departure; and within 21 days of your flight, you lose all your money and have to buy a new ticket.

No-frills airlines typically charge £15 to £30 per one-way fare, plus the price difference for the new fare.

Another charge to look out for, if you have young children, is how much it costs for them to sit on your lap. For

example, BMIbaby and Jet2.com let under-twos fly for free.

LUGGAGE

If you're going on a short break, check out the hand-luggage allowance. EasyJet has no official weight limit, as long as you can lift the luggage unaided into the overhead locker; you can stuff clothes in your hand luggage and not have to wait around for checked-in luggage when you arrive. Compare that with other airlines, some of which allow you a less-than-generous 5kg of hand luggage.

There are fewer differences in the luggage you can check in. But it's worth noting that Ryanair's limit is 5kg meaner than the other airlines in our table.

COMPLAINTS METHOD

It's useful to see whether there's a phone number in case written complaints receive no reply.

USING THE TABLE

The table shows selected no-frills, charter and scheduled airlines. All information relates to short-haul, economy flights.

Charges

Ticket changes Charge for changing flight time. **Infant fares** Cost of a return ticket for a child under two years old, sharing a seat.

Check-in luggage

Excess How much you have to pay for each kilogram of check-in luggage over the limit.

Terms and conditions

NO-FRILLS AIRLINES

	Charges		Hand luggage		Check-in luggage		Complaints method			
	Ticket changes (£)	Infant fares	Maximum weight (kg)	Maximum size (cm)	Maximum weight (kg)	Excess (£ per kg)	Phone	Post	Email	Fax
BMIbaby	15	free	7	55x40x20	20	5		✓		
EasyJet	15	£10	no limit	55x40x20	20	4			✓	
Flybe	25	12% ^a	5	45x35x15	20	5	✓	✓	✓	
Jet2.com	15	free	10	46x30x23	20	5		✓		
Monarch	15	£10	10	43x28x23	20	4		✓		
Ryanair	20 ^b	£14	10	55x40x20	15	4.5		✓		✓
Thomsonfly	15	£10	5	45x35x20	20	5		✓	✓	

SCHEDULED AND CHARTER AIRLINES

British Airways	varies	10% ^a	6	55x40x20	23 ^c	varies	✓	✓		✓
BMI	30	10% ^a	10	115 ^d	20	5	✓	✓		✓
Excel	varies	£20	5	115 ^d	20	4		✓		
Thomas Cook Airlines	15	£20 ^e	5	43x28x23	20	4			✓	
First Choice Airways	15	£20	5	45x35x20	20	4		✓	✓	

^a Percentage of adult fare; doesn't include taxes and charges ^b Online fee. £27 by phone ^c 32kg for travel within UK ^d Sum of dimensions cannot exceed 115cm (for example, 40x55x20cm would be OK) ^e Doesn't include taxes and charges

ticket prices. Ryanair refuses to provide meals during delays beyond its control because 'our services do not include free meals or snacks on board and nor do our low air fares'.

The AUC is concerned by what seems to be happening. Its Industry Affairs Adviser, James Fremantle, told us: 'These airlines don't appear to be offering assistance under the regulations.'

It has passed its concerns on to the Civil Aviation Authority (CAA), which is the government agency which is responsible for regulating UK airlines.

If you have a complaint about your airline on this or any other issue, contact the airline itself first. If you get no joy, contact the AUC for advice on what to do next (see www.auc.org.uk or telephone 020 7240 6061).

YOUR RIGHTS TO COMPENSATION

Here are your new rights in a bit more detail. They're the same for both no-frills and frilled airlines but they differ depending on whether your flight is cancelled or delayed. There isn't a definitive distinction between 'cancelled' and 'delayed' but, broadly speaking, it's a cancellation if you're put on another flight, while it's a delay if you take off on the same plane with the same flight number.

If your flight is cancelled

You should be offered a choice of

- a refund for the unused parts of the ticket and a return flight at the earliest opportunity, or
- re-routing to your destination at the earliest opportunity, or
- re-routing to your destination at a date convenient to you.

While you wait for this to be sorted out, you're also entitled to

- free meals and refreshments
- a free hotel room and transport to the hotel if the cancellation means you have an overnight stay
- two free phone calls, faxes or emails.

In addition, if the delay is two hours or more, you're entitled to financial compensation. How much you'll get depends on the length of the delay (that is, how late you arrive at your destination), as well as the distance covered.

If your flight is delayed

You won't get monetary compensation but for the first time passengers have a clear-cut right to food and refreshments (and overnight accommodation where necessary) and to make contact with family and friends to tell them about the hold-up.

If, after five hours, you decide not to travel, you're entitled to have the price of the ticket reimbursed. If you've already made part of the journey, you're entitled to have the whole ticket reimbursed, and to be returned to the original departure point.

The new regulations in practice

When Simone Collins suffered a six-hour delay on her Ryanair flight from Bergerac to Stansted, she was entitled to food and drink for the delay. However, she was left to pay for her own food and drink. Simone told us how surprised she was: 'I'm

PILOT STRESS AND SAFETY CONCERNS

There are worries within the airline industry that increasing pressures on pilots will reduce the margin of safety on flights

Pressure on pilots to perform is a common complaint across the no-frills sector. A recent study found more pilots than ever before flying 900 hours a year, the legal limit for flying.

The author of the study, Dr Simon Bennett of Leicester University, found high levels of tiredness and stress in pilots.

He explained to us that 'because the industry is intensely competitive, more airlines are seeing 900 hours as a target rather than a maximum'.

So far, no-frills airlines in the UK have had a good safety record in their short history. But there's reason to believe that the margin for safety is decreasing.

The European Cockpit Association represents pilots and crew across Europe. A spokesman explained to us how safety is connected with the massive growth of no-frills airlines: 'Nobody has used aircraft as intensively as low-cost carriers. It puts a lot of pressure on everybody involved; pilots are anxious and can take short-cuts.'

He says that the European Cockpit Association gets more complaints from its members about Ryanair than any other airline.

Many of those are about the way in which the management

pressures pilots and crew to perform.

A Ryanair pilot who spoke to us backed this up: 'The pressures, the anti-social conditions and ending up exhausted – in my view, it could easily lead to an accident.'

Our whistle-blower wants to remain anonymous.

He told us that he thinks the number of times pilots are expected to fly each week, and the pressure

a flight, so this makes for intense and stressful days – particularly if the weather is poor.

He says that sick leave is closely monitored and that he has felt under pressure to return to work quickly.

And he told us that pilots have to bring their own food and drink – even drinking water is unavailable on board.

We spoke to Ryanair,

'It puts a lot of pressure on everyone involved; pilots are anxious and can take short-cuts'

European Cockpit Association



Increased pressure on pilots from no-frills airlines may be increasing safety risks

to keep to the busy daily schedule, is jeopardising safety.

He says he rarely has time to take breaks during his working day. And now he sometimes flies six flights a day four days a week, when it used to be on two days a week.

Take-offs and landings are the most demanding parts of

which told us that it 'does not reply to unsubstantiated rumours'. However, it said it would be 'very rare indeed that any pilot operating to [its] rosters would feel either fatigued or exhausted'. It added that it has 'the lowest turnover of pilots of any major European airline'.

HOLIDAY WHICH?



With tell-it-like-it-is destination reports and free miniguides, *Holiday Which?* (published four times a year) makes the ideal travelling companion.

To receive two issues of *Holiday Which?* free, plus a free travel alarm clock, call **0800 252 100** quoting HFXJ05 or go to **www.holidaywhichfreetrial.co.uk**. Please note your payment details will be requested for when your free trial ends.

amazed that Ryanair didn't feel any responsibility to look after its customers.'

Simone's aircraft eventually arrived after midnight. The last train had left, so she had to catch a coach, train and taxi to her home in Purley. She finally arrived home at 2.45am.

With a delay that was more than five hours, she should have received food. When she wrote to Ryanair to complain, it told her no compensation was due. We contacted Ryanair on Simone's behalf, and it claimed that no food was provided because it didn't think the delay would last that long.

YOUR RIGHTS WHEN AIRLINES GO BUST

Another problem with no-frills airlines is that a lot of them are small companies, prone to going bust. When EUjet folded in July, up to 10,000 people were stranded abroad and 100,000 people found that they had worthless tickets. Air Polonia, Duo, Jet Magic and Volare have all gone the same way.

Passengers who booked directly with these no-frills airlines received no protection. The only exceptions were people who spent more than £100 by credit card – their credit card companies were obliged to refund the cost of their air fares.

The problem isn't unique to no-frills airlines – with the exception of charter airlines, it's true whenever you buy a ticket direct from the airline – but it has become much more common with the number of small companies around.

Now the CAA has put forward proposals to close the loophole for all airlines. It wants a £1 per

person levy on all flights leaving the UK, to protect all passengers when the airlines go bust. However, the government is stalling on approval of the proposals. Jonathan Nicholson from the CAA says: 'EUjet [going bust] is a classic example of why we feel the government should extend passenger protection to all airlines.'

And it's not just the flight that you need to worry about losing. If your airline goes under and you can't travel, you won't get a refund on your

'The government should extend passenger protection to all airlines'

Jonathan Nicholson, CAA

accommodation. This means less financial protection than if you'd booked the flights and accommodation as part of a package.

So, as fewer and fewer people book a traditional package holiday through a tour operator, there's less protection of accommodation costs when companies go out of business.

WHAT HAPPENS WHEN YOU CANCEL

Typically, no-frills airlines won't give you a refund when you cancel – none of those in our table on p12 does. That's not so unusual; full-service carriers offer refunds on only some classes of ticket (the most expensive ones).

However, two airlines – Ryanair and Thomas Cook Airlines – are even cheekier. They refuse to refund the part of a cancelled ticket that covers charges and taxes, even though they don't have to pay the tax to the government.

Other airlines may make you pay a £15 to £25 fee to reclaim some of the charges or taxes when you cancel, but at least you might get something.

We found Thomas Cook Airlines' website claiming it charges an extra £15 if you phone to cancel a flight. After we highlighted this absurdity, it told us it's removing the charge (which it says has never actually been made to customers).

THE FUTURE OF NO-FRILLS AIRLINES

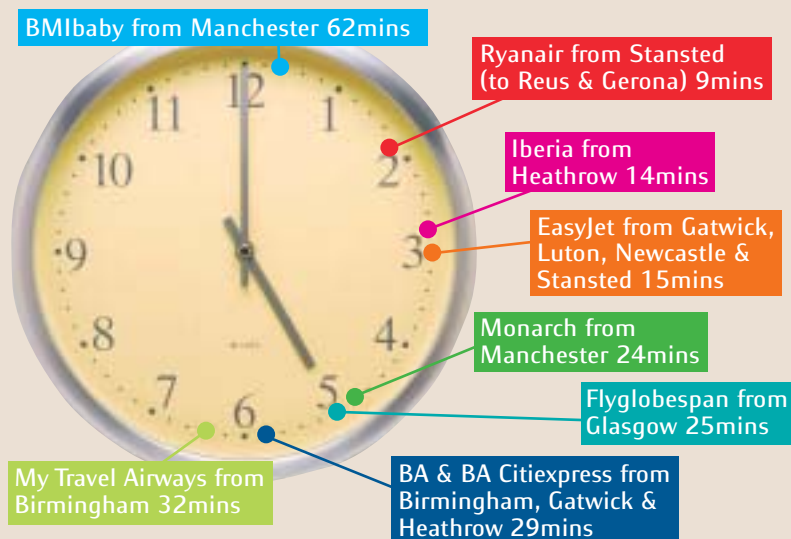
No-frills airlines look set to stay – though it's not clear what form they'll take. Aviation expert Professor Regis Doganis predicts that most of the newer no-frills airlines, and even some middle-ranking ones, will fold or merge. And he points out a practical implication for more committed holiday-makers: 'Don't buy a holiday home on a route served by a single small airline.'

On the other hand, some analysts think the big two will become vulnerable to competition as they grow. Stuart Riden from the Aviation Study Group, a forum of academics and industry experts, thinks that the impact could be quite dramatic: 'In a vicious cost-cutting cycle, aircraft could become even more like a bus, and passengers treated more like cattle.'

But even customers paying for the lowest fares deserve to be treated fairly. Until they are, the no-frills revolution is far from over.

Airline delays compared

Average delays on airlines to the Barcelona area, August 2004



No-frills airlines can be less delayed than other airlines; they tend to avoid large, congested airports and don't have to wait for transfer passengers. In fact,

Ryanair and EasyJet are among the best for avoiding delays.

The illustration shows a difference in delays of more than 50 minutes for Barcelona.

To see information about delays for other destinations, go to www.caa.co.uk and search for 'aviation data unit'. (Sadly, it's very user unfriendly.)

SMART BOOKING 3: The purchase

Here are a few steps you can take to make sure you get a good deal.

GO FOR MIDWEEK FLIGHTS

Midweek flights are much cheaper than popular weekend ones – if you can set off and return on a workday, your fare could be much cheaper.

LOOK AT ONE-WAY FARES

You can sometimes get a cheaper fare by travelling out with one airline and travelling back with a different one (though perhaps to a different airport). See illustration, below.

USE A CREDIT CARD

If your tickets cost more than £100, consider paying with a credit card rather than a debit card. Your credit card supplier will be jointly liable with the airline. If the airline goes bust, for example, the credit company has to reimburse the cost of your flight.

Some airlines charge you extra to use a card (although British Airways doesn't). A few charge less to process a debit card than a credit card – but bear in mind you may be surrendering financial protection.

ONE WAY FARES VS. RETURN FARES

Ryanair return
Stansted → Berlin £125.31

OR

EasyJet return
Luton → Berlin £114.98

OR

Ryanair single
Stansted → Berlin £33.94

+

EasyJet single
Luton → Berlin £63.30

TOTAL = £97.24

Booking the return leg with a different airline reduces your fare by around 15 per cent – £71 for a family of four.

All fares include taxes and charges

which? says

The no-frills revolution has given us cheap fares and a wider choice of European destinations.

But it's also highlighted several problems with how airlines treat their customers – misleading prices; a contempt for the rules on compensation; and a lack of protection when airlines go bust.

These problems are by no means unique to no-frills airlines, but the no-frills boom means they're now more common. For example, there

are more small companies around, so more airlines are going under.

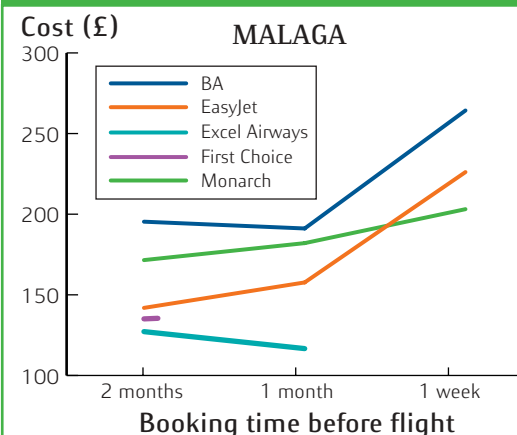
We want a crackdown on misleading internet prices. The Civil Aviation Authority (CAA) needs to get tough with airlines that flout regulations. And we want the government to approve the CAA's plan for financial protection.

We're also worried about the potential for overwork among airline pilots. This is a safety issue which needs to be monitored closely.

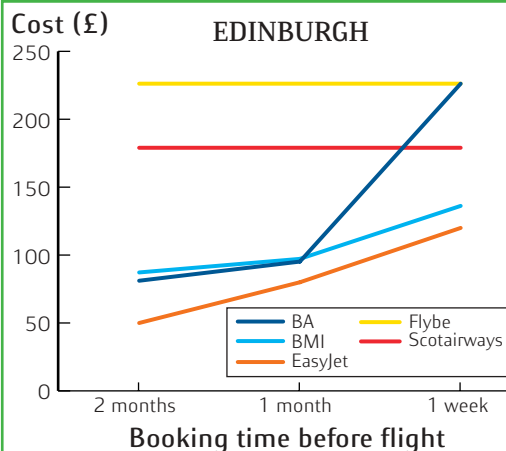
PRICE CHANGES

We've looked at how prices vary if you can book a flight a few weeks in advance.

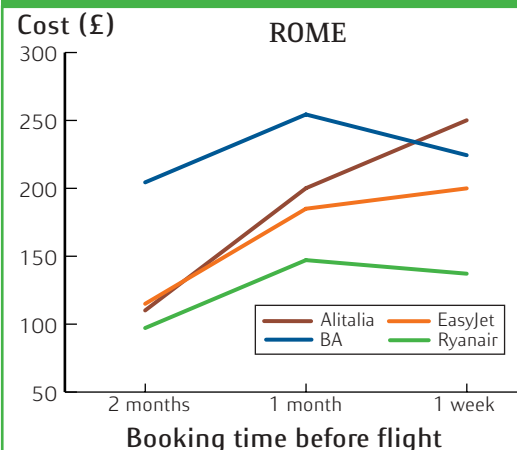
MALAGA The Mediterranean is popular in summer, so book early. Charter airlines were the cheapest option we found but neither First Choice nor Excel had last-minute seats.



EDINBURGH Here, no-frills EasyJet is the cheapest airline we looked at. But there are still full-service carriers offering a good deal – for £20 to £30 more you can fly with BMI.



ROME There are great deals here because the big no-frills airlines are competing. And, unusually, Ryanair's and BA's prices were cheaper a week before than a month before.



All flights are return from London and include taxes and charges. Prices checked May (Malaga) and August (Rome and Edinburgh).