CMA launches action against British Airways and Ryanair over refunds

Press release

The CMA is investigating whether British Airways and Ryanair have broken consumer law by failing to offer refunds for flights customers could not legally take.



The Competition and Markets Authority (CMA) has today opened enforcement cases into both firms and written to them detailing its concerns. The move comes after the CMA opened an investigation into the airlines sector in December 2020 following reports that consumers were being denied refunds for flights that they could not legally take.

During periods of lockdown across the UK, British Airways and Ryanair refused to give refunds to people that were lawfully unable to fly, with British Airways offering vouchers or rebooking and Ryanair providing the option to rebook.

The CMA is concerned that, by failing to offer people their money back, both firms may have breached consumer law and left people unfairly out of pocket. It is now seeking to resolve these concerns with the companies, which may include seeking refunds, or other redress, for affected customers.

Andrea Coscelli, Chief Executive of the CMA, said:

While we understand that airlines have had a tough time during the pandemic, people should not be left unfairly out of pocket for following the law.

Customers booked these flights in good faith and were legally unable to take them due to circumstances entirely outside of their control. We believe these people should have been offered their money back.

British Airways and Ryanair now have the opportunity to respond to the CMA's detailed concerns.

For more information, visit the COVID-19: lockdown flight refunds page.

Notes to editors

- 1. The firms included in the CMA's enforcement action are British Airways PLC, BA CityFlyer Ltd, and Ryanair DAC.
- 2. It should not be assumed at this stage that any of the airlines have breached the law. Ultimately, only a court can decide whether a breach has occurred.
- 3. Ryanair told us that they repaid a small number of people having reviewed the specifics of their cases.
- 4. The scope of the CMA's investigation relates to periods when it was unlawful in one or more parts of the UK for people to travel for non-essential reasons. It covers flights that were not cancelled, and does not cover any other situations.
- 5. While the Civil Aviation Authority (CAA) leads on consumer protection in the airline sector, the CMA has undertaken extensive action in connection with cancellations and refunds during the pandemic and is well placed to support the CAA on these issues. The CMA and the CAA also share the same enforcement powers to tackle breaches of consumer protection law.
- 6. As an enforcer under Part 8 of the Enterprise Act 2002, the CMA cannot levy administrative fines, but it can enforce consumer protection legislation through the courts, and where appropriate, require additional measures to improve consumer choice, drive better compliance with the law, or secure redress for consumers.
- 7. The CMA is unable to comment on individual circumstances, nor help resolve individual complaints.
- 8. All information available in relation to this case is on the COVID-19: lockdown flight refunds page.
- 9. For media queries, contact the CMA press office via press@cma.gov.uk or on 020 3738 6460.

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End of halogen light bulbs spells brighter and cleaner future

- Halogen light bulbs to be banned from this September with fluorescent light bulbs to follow suit
- shift to LED bulbs will cut 1.26 million tonnes of CO2 the equivalent of removing over half a million cars from UK roads

 new rules part of tighter energy efficiency standards for electrical appliances as the UK builds back greener, helping save British consumers £75 a year on their energy bills

The government has announced plans today (Wednesday 9 June) to end the sale of halogen light bulbs from this September, as part of the UK's wider efforts to tackle climate change.

Legislation being brought forward this month will also include the removal of fluorescent lights from shelves from September 2023.

Currently, around 2 thirds of bulbs sold in Britain are LED lights, making a considerable impact in improving the energy efficiency of the country's buildings. They last 5 times longer than traditional halogen lightbulbs and produce the same amount of light — but use up to 80% less power.

The UK began phasing out the sale of higher-energy halogen lightbulbs in 2018. The new legislation would mean retailers will no longer be able to sell the majority of halogen bulbs for general household use in the UK from 1 September.

To help people make the switch, ministers are also announcing that all light bulbs will start to feature new energy efficiency advice via 'rescaled' energy labels on their boxes. The labels will simplify the way energy efficiency is displayed on a new scale from A-G, doing away with the A+, A++ or A+++ ratings. The new labels will raise the bar for each class, meaning very few bulbs will now be classified as A, helping consumers choose the most environmentally friendly bulbs.

This measure is expected to mean that LED light bulbs will account for 85% of all bulbs sold by 2030.

In addition, the government also plans to start phasing out the sale of highenergy fluorescent lightbulbs, with a view to bringing an end to their sale from September 2023.

Taken together, these new rules will mark a significant shift to more energy efficient and longer lasting LEDs and will stop 1.26 million tonnes of carbon being emitted every year — the equivalent of removing over half a million cars from the UK's roads.

The move is part of a package of energy efficiency improvements to electrical appliances, which will save consumers an average of £75 a year on energy bills.

Energy Minister, Anne-Marie Trevelyan, said:

We're phasing out old inefficient halogen bulbs for good, so we can move more quickly to longer lasting LED bulbs, meaning less waste and a brighter and cleaner future for the UK. By helping ensure electrical appliances use less energy but perform just as well, we're saving households money on their bills and helping tackle climate change.

Today's plans also include a ban from September on the sale of lighting fixtures with fixed bulbs that can't be replaced — meaning the fixtures have to be thrown away. Fixtures such as these account for 100,000 tonnes of electrical waste every year — out of a total 1.5 million tonnes of electrical waste each year.

Minister for Climate Change, Lord Martin Callanan, said:

Flicking the off-switch on energy inefficient light bulbs is a simple way that households can save money at the same time as saving the planet.

Phasing out halogen bulbs in favour of LED alternatives that last longer, are just as bright and cheaper to run, is another way that we are helping tackle climate change.

Chief Executive of Signify UK, which owns Philips lighting, Stephen Rouatt, said:

We welcome the UK government's next step in the transition towards more sustainable lighting products. Using energy-efficient LED equivalents for halogen and fluorescent lighting on an even broader scale will significantly help the UK on its journey to decarbonisation, as well as lowering the annual electricity bills for consumers.

Overall, the government's package of energy efficiency improvements will also cut 8 million tonnes of carbon emissions in 2021 by reducing the amount of energy products consume over their life-time — the equivalent of removing all emissions from Birmingham and Leeds each year.

The government has published its response to the consultation on updated Ecodesign and Energy Labelling Regulations for lighting products.

The sale of mains voltage halogen non-directional lamps were banned in the UK on 1 September 2018, meaning low voltage non-directional halogen lamps could continue, as long as they comply with eco-design requirements. The new regulations would phase out most remaining halogen lamps from September 2021 and the traditional fluorescent tube lighting, which are common in offices, from September 2023 onwards.

HL R7 halogens will remain available on the market, and some fluorescents such as T5s.

Exemptions will be in place for lamps designed and marketed specifically for scene-lighting use in film studios, TV studios, and photographic studios, or for stage-lighting use in theatres or other entertainment events.

The <u>wider package of energy efficiency measures</u> include the right to repair, new energy labels and higher energy efficiency standards for white goods, TVs and other electrical appliances.

<u>Partnership Council and Withdrawal</u> <u>Agreement Joint Committee: 9 June</u>

This morning Lord Frost will co-chair a meeting of the Partnership Council and Withdrawal Agreement Joint Committee at Admiralty House, London.

This is the first meeting of the Partnership Council, established under the Trade and Cooperation Agreement, which supervises the operation of the Agreement at a political level. The meeting will cover issues including fish, SPS measures, customs and trade facilitation and law enforcement.

The Joint Committee will include a discussion on Withdrawal Agreement implementation issues, covering the Northern Ireland Protocol and citizens' rights.

Speaking ahead of the meeting Lord Frost said:

Today's historic first meeting of the UK-EU Partnership Council marks an important milestone in our new relationship as friendly trading partners and sovereign equals.

Along with the Joint Committee, I hope this will be a productive forum where we can address shared challenges by working together in the spirit of mutual trust and cooperation.

First among these challenges is the damaging impact the Protocol is having on the ground in Northern Ireland. Businesses in Great Britain are choosing not to sell their goods into Northern Ireland because of burdensome paperwork, medicine manufacturers are threatening to cut vital supplies, and chilled meats from British farmers destined for the Northern Ireland market are at risk of being banned entirely.

When I meet Maroš Šefčovič later today my message will be clear: time is short and practical solutions are needed now to make the Protocol work.

Our overriding shared priority must be to protect the Belfast (Good Friday) Agreement and the peace process. I look to the EU to show flexibility and engage with our proposals so that we can find solutions that enjoy the confidence of all communities.

Further threats of legal action and trade retaliation from the EU won't make life any easier for the shopper in Strabane who can't buy their favourite product. Nor will it benefit the small business in Ballymena struggling to source produce from their supplier in Birmingham.

What is needed is pragmatism and common sense solutions to resolve the issues as they are before us. This work is important. And it is ever more urgent.

It is only by making substantial progress across the whole range of difficulties that we can show people in Northern Ireland that the Protocol can work in a pragmatic, proportionate and sustainable way — as was always intended.

The UK has taken forward our work to operate the Protocol since the beginning of the year, alongside huge efforts from the Northern Ireland Executive, unprecedented cooperation across a range of departments and agencies, and intensive work with businesses.

- We have delivered significant systems and legislative change developing or significantly amending 4 major IT systems, including the declaration, transit, safety and security and goods movement systems.
- We have put in place unprecedented means of support for businesses with more than £200m of funding provided for our Trader Support Service; a Movement Assistance Scheme to fund certificates and vet capacity; and a further £150m invested, with £25m already delivered, for a new Digital Assistance Scheme to digitise the processes for agri-food movements from GB-NI. The TSS has already processed 640,000 customs consignments from GB to NI since the start of the year.
- We have delivered wholly new facilitations, such as the UK Trader

Scheme, despite the very late stage at which they were agreed in December.

• We have already begun to share data on GB-NI goods movements, with information already shared on "goods at risk" declarations, in line with what we agreed in December. Detailed, intensive work continues to fulfil other obligations such as a long-term solution on database access.

The UK has now sent more than 10 papers to the European Commission, proposing potential solutions on a wide range of issues. As yet, we have had no written response from the EU.

<u>Landmark £15 million woodland creation</u> <u>grant opens for applications</u>

The Forestry Commission has today opened a new multimillion tree planting grant scheme — the England Woodland Creation Offer — to provide greater financial incentives for landowners and farmers to plant and manage trees.

With £15.9 million available in its first year, the grant scheme, now open to applications, will provide enhanced payments rates. It will give greater recognition of the public and environmental benefits that woodlands bring, by providing additional incentives to ensure the right tree is planted in the right place, and for the right reason.

The new grant scheme for landowners and farmers will support the creation of a range of woodland types and sizes, including: along rivers to improve the water environment; through natural colonisation where woodlands are created through natural processes by trees which grow from seeds which fall and germinate there; and where their location and design will provide public benefits including greater access.

The grant can cover 100 per cent of eligible standard capital costs of woodland creation, meaning costs are covered for buying and planting the trees, and then maintaining them for 10 years. Additional financial contributions are available for well-designed woodland that provide public and wider environmental benefits.

Additional contributions will be available for:

- nature and species recovery between £1,100/ha to £2,800/ha available where woodland creation will help woodland-dependent priority species to recover;
- tree planting near watercourses and rivers (riparian buffers) -

£1,600/ha available where the creation of native broadleaved woodland along water courses will improve river habitats;

- reduced flood risk £500/ha available where woodland creation can help reduce the risk of flooding;
- improved public access £2,200/ha available where woodland creation will provide long-term permissive access to the public to enjoy
- close to settlements £500/ha available where woodland creation will provide social and environmental benefits by being close to people;
- improved water quality £400/ha available for woodlands that clean our water by reducing pollutants through land use change by intercepting pollution and sediment before it reaches watercourses.

EWCO will be designed to allow farmers to make the most of green finance opportunities. For example, applicants will be supported to register their planting under the Woodland Carbon Code wherever eligible, to allow the future sale of high quality woodland carbon credits to private buyers. The government aims to maximise private investment in new woodlands and will regularly review its approach to additional contributions to maximise private investment and direct public funding where it is most needed.

Forestry Commission Chair, Sir William Worsley, said:

This exciting new grant offer is flexible to allow landowners to create a woodland that meets their own objectives. From planting a small one hectare block, a strip of trees along rivers to reduce flood risk, to large mixed woodlands. This improved grant gives everyone the opportunity to see woodland creation as a financially and environmentally rewarding option. This will help with our journey to reach net zero by 2050.

Environment Secretary, George Eustice, said:

Our ambition is not just to treble tree planting rates by the end of Parliament but to create diverse treescapes across the country which benefit wildlife, the environment and people.

This grant, backed by £15.9 million in its first year, provides an exciting range of options for farmers and landowners so they can plant and manage trees in a way that meets their individual needs and ambition.

From planting trees along rivers to reduce flood risk and improve water quality, to creating habitat for woodland dependent species, and improving public access — this grant will help deliver the woodlands of the future.

Recognising the manifold benefits that trees bring, the new grant scheme will support diverse woodland types at different scales (from a minimum size woodland of just 1 hectare per application and 0.1 hectare per block). The

grant will continue the current approach of focusing funding predominantly on the creation of native broadleaf woodlands at a large scale, but also supporting well-designed majority conifer and mixed woodlands, providing scope for well-designed productive forestry to grow alongside significant increases in majority broadleaf woodland.

The England Woodland Creation Offer also addresses wider barriers to woodland creation, by improving regulatory processes, consultation arrangements and advice and guidance as part of the application process.

Today's announcement follows the publication of the England Trees Action Plan. This was announced through the <u>Environment Secretary's recent speech from Delamere Forest</u> where he outlined plans to treble tree planting rates in England during this Parliament, funded through an expected £500 million from the Nature for Climate Fund. Also recently announced, the <u>Tree Health Pilot</u> is taking action against pests and diseases which attack our trees, woods and forests.

Apply for the England Woodland Creation Offer here.

New independent group to help tackle 'greenwashing'

- new independent expert group established to advise on standards for green investment
- UK Green Taxonomy part of Government's efforts to improve the environment, accelerate the transition to net zero and create green jobs
- better data will help companies, investors and consumers to make informed green choices, support investment in sustainable projects and boost efforts to tackle climate change

The Green Technical Advisory Group (GTAG) will oversee the Government's delivery of a "Green Taxonomy" — a common framework setting the bar for investments that can be defined as environmentally sustainable.

The Green Taxonomy will help clamp down on greenwashing — unsubstantiated or exaggerated claims that an investment is environmentally friendly — and make it easier for investors and consumers to understand how a firm is impacting the environment.

With hundreds of new sustainable investment funds coming to market each year

and sales to UK retail investors tripling from 2019 to 2020, consumers and investors of all sizes will be able to make more informed decisions, and businesses will be supported as they plan to transition to net zero.

The Green Taxonomy is an important step in the Government's efforts to boost investment in projects that accelerate the transition to a sustainable economy, create green jobs and support the UK's environmental goals.

The Green Technical Advisory Group (GTAG) will provide independent, non-binding advice to the Government on developing and implementing a green taxonomy in the UK context.

GTAG will be chaired by the Green Finance Institute and made up of financial and business stakeholders, taxonomy and data experts, and subject matter experts drawn from academia, NGOs, the Environment Agency and the Committee on Climate Change.

John Glen, Economic Secretary to the Treasury, said:

We want investors and businesses to play their part in greening our economy and transitioning to net zero, so it's crucial we have a clear common definition of what green means.

A UK green taxonomy will provide better data on the environmental impact of firms, supporting investors, businesses and consumers to make green financial decisions and accelerating the transition to net zero.

I look forward to receiving the advice of the expert Green Technical Advisory Group as we put in place a rigorous taxonomy that works for the UK and sets a high standard globally.

Ingrid Holmes, Executive Director of Green Finance Institute, said:

The GTAG will play a key role, advising Government on implementing a robust, science-based Taxonomy that is adapted to the specific needs of the UK context, and works for all stakeholders.

We're delighted to chair the GTAG, and to welcome all 18 members onboard, all of whom have a demonstrable interest and/or track record of being engaged on the issue of developing and using taxonomies, and the practicality of applying a taxonomy in a UK-specific context.

UK Energy Minister Anne-Marie Trevelyan said:

Transforming our financial system for a greener future is vital so we can protect the planet, reach net zero and grow our economy, and establishing a Green Technical Advisory Group and Energy Working Group are both crucial steps forward in developing our green UK taxonomy.

This will help the financial sector invest in the projects, technologies, and services of the future, strengthening the UK's position as global leader in green finance and tackling climate change.

The Government will also establish an Energy Working Group as part of the GTAG to provide advice on key technologies such as hydrogen, carbon capture, utilisation and storage, and how to address nuclear power in the taxonomy — a key element of the UK's net zero plans. Other expert groups may also be established where required as work progresses.

The Chancellor Rishi Sunak first announced the UK would implement a green taxonomy in November 2020, as part of wider plans to position the UK at the forefront of green finance, including issuing the UK's first ever sovereign green bond later this year.

The launch of GTAG comes shortly after the UK was instrumental in getting G7 countries to move towards making climate disclosures — in line with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) — mandatory across their respective economies.

The agreement was secured at a meeting of G7 Finance Ministers chaired by the Chancellor last weekend and comes after the UK was the first country in the world to commit to make TCFD-aligned climate reporting fully mandatory by 2025.

Further information

- Further details about the role of GTAG and a list of members can be found <u>here</u>
- HM Treasury, the Financial Conduct Authority, the Bank of England and other relevant Government departments and regulators will be observers to GTAG
- GTAG will first meet in June 2021 and is expected to run for at least two years. It will provide initial recommendations to the Government in September 2021
- More detail about the G7 agreement on TCFD-aligned climate disclosures can be found here