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Chaos in the Sky: New Consumer Protections for Weary Airline Passengers

DESTINATION	STATUS
TOKYO	5 DELAYED
DUBLIN	9 CANCELLED
BERLIN	10 CANCELLED
BARCELONA	3 CANCELLED
HONG KONG	14 DELAYED
LOS ANGELES	7 CANCELLED

Banks, hospitals, retailers, and airlines are still dealing with the fallout from the massive CrowdStrike IT outage in July. The tech meltdown impacted businesses across the globe, and airlines were hit particularly hard. This was not good news for the airline industry, which just last year had the highest number of flight delays ever recorded.¹

The U.S. Department of Transportation determined that the delays and cancellations resulting from the CrowdStrike outage were "controllable," or caused by the airline. As a result, most airlines were obligated to provide some sort of compensation and assistance to stranded travelers.²

Fortunately, there could be much-needed relief for airline passengers on the horizon, thanks to a new federal law and rules issued by the U.S. Department of Transportation.

Hassle-free refunds

In the past, airline passengers were forced to figure out how to obtain a refund by researching an airline's website or waiting for hours on the phone with an airline's customer service department. Airline passengers will be entitled to an automatic refund for:

- Cancelled or significantly delayed flights (e.g., departure or arrival times delayed by three hours or more for domestic flights and by six hours or more for international flights), regardless of the reason
- Significantly delayed baggage return
- Extra services (e.g., Wi-Fi, seat selection, or inflight entertainment) that were paid for but not provided

Airlines must issue refunds of the full amount of the ticket purchased within seven business days of refunds becoming due for credit card purchases and 20 days for other payment methods. Passengers who accept a ticket for a significantly delayed flight or are rebooked on a different flight to their destination will not receive refunds. The refunds must be in the form of cash or whatever original payment method was used to make the purchase (e.g., credit card or airline miles). Finally, airlines are not allowed to substitute other forms of compensation (e.g., vouchers or travel credits) unless a passenger affirmatively chooses to accept an alternate form of compensation.

Protection against surprise fees

Many airlines advertise cheap "teaser" fares that don't take into account additional fees — all of which can significantly increase the cost of a ticket. Airlines will be required to disclose various ancillary fees up front, such as charges for checked bags, carry-on bags, and changing or cancelling a reservation. They must also provide a detailed explanation of each fee before a ticket can be purchased. In addition, under a proposed rule airlines will be prohibited from charging families an extra fee to guarantee a child will sit next to a parent or adult travel companion.

When are these protections scheduled to take effect?

These consumer protections are scheduled to have different implementation periods over the next year. In addition, the rule on surprise fee disclosures was temporarily blocked by a U.S. Appeals Court last week. Visit the U.S. Department of Transportation's website at [transportation.gov/airconsumer](https://www.transportation.gov/airconsumer) for more information.

1-2) U.S. Department of Transportation, 2024



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