# **MALAYSIAN AVIATION COMMISSION**

Consumer Report March to August 2017



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# Complaints Statistics – March to August 2017

#### **Consumer complaints summary**



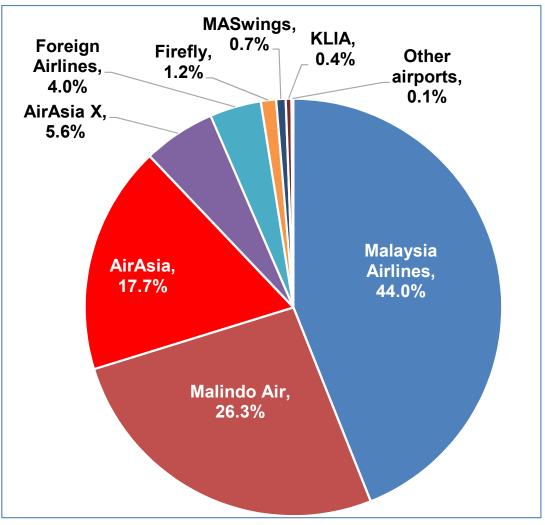
This report summarises aviation consumers' complaints lodged with MAVCOM in writing, by telephone, e-mail or in person received between the period of March and August 2017.

A total of 677 complaints were received during the March to August 2017 period, with 673 complaints on airlines and 4 on airports. This is an increase of 92.3% as compared to March to August 2016, when MAVCOM received 350 complaints.

99.1% of the complaints received during the March to August 2017 period have been resolved and closed by MAVCOM. Processing of refunds, mishandled baggage and flight delays represent 62.6% of the nature of complaints received by MAVCOM during this period.

Between March and August 2017, Malaysia Airlines was the highest contributor of complaints received by MAVCOM. This is followed by Malindo Air and AirAsia.

Figure 1: Breakdown of total complaints received between March and August 2017



Source: MAVCOM

#### **Consumer complaints by airline**



Table 1: Consumer complaints by airline – March to August 2017

|  | AirAsia | AirAsia X | Firefly | Malaysia<br>Airlines | MASwings | Malindo Air | Foreign airlines | Total |
|--|---------|-----------|---------|----------------------|----------|-------------|------------------|-------|
| Total complaints received by MAVCOM                          | 119     | 38        | 8       | 298                  | 5        | 178         | 27               | 673   |
| Complaints received by MAVCOM per million passengers carried | 6       | 14        | 7       | 30                   | 4        | 38          | N/A              | 17    |

Source: MAVCOM, MAHB

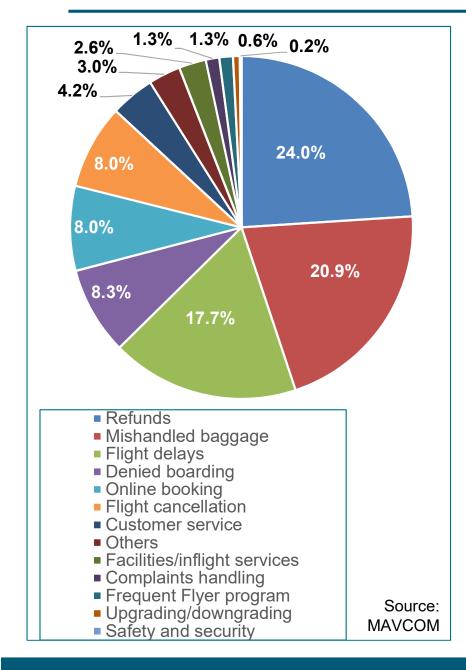
The highest number of complaints received by MAVCOM was on Malaysia Airlines, with 298 complaints. This represents a four-fold increase in the number of complaints received by MAVCOM on Malaysia Airlines from the March to August 2016 period, when 74 complaints were received.

The second and third highest were complaints on Malindo Air and AirAsia, with 178 and 119 complaints respectively. The number of complaints received on Malindo Air were more than double of those received during the March to August 2016 period, when 85 complaints were received. On the other hand, the number of complaints received by AirAsia during the March to August 2017 period was almost a 9.8% reduction from the 132 complaints received by MAVCOM on them year-on-year.

Based on calculation of number of complaints received for every million passengers carried, Malindo Air received the highest number of complaints with 38 complaints for every million passengers carried. This is followed by Malaysia Airlines and AirAsia X, which received 30 complaints and 14 complaints per million passengers carried during the March to August 2017 period, respectively.

#### **Consumer complaints by category**





In comparison to the same period in 2016, almost all categories of complaints had increased during the March to August 2017 period.

The top three complaints received by MAVCOM from March to August 2017 were related to refunds, mishandled baggage and flight delays, which collectively contributed to 62.6% of total complaints received. Refunds and flight delays were also amongst the three highest category of complaints received by MAVCOM during the March to August 2016 period, the other being related to online bookings.

Complaints related to refunds from March - August 2017 increased year-on-year from 92 to 155, being an increase of 68.5%, attributable primarily to Malindo Air and Malaysia Airlines.

The number of complaints for mishandled baggage for March - August 2017 also increased year-on-year from 37 to 144, with Malaysia Airlines contributing 54.2% of complaints received.

Complaints related to flight delays for March - August 2017 also increased to 124 from 53 during the same period in the prior year, representing an increase of 134.0%, with Malaysia Airlines and Malindo Air contributing three-quarters of the complaints received in this category for the current period.

Refer to next page for complaints by category and by airline.

#### Figure 2: Consumer complaints by category – March to August 2017

Note: 'Others' comprise of complaints on pricing, request for documents, downgrade of aircraft and any other complaints. For further details on these categories, please refer to **Appendix 1**.

#### **Consumer complaints by airline and category**



Table 2: Complaint categories by airline for March - August 2017 against March - August 2016

| Catamama / Airlin aa                         | Air     | rAsia AirAsia X |         | Firefly |         | Malaysia<br>Airlines |         | MAS<br>wings |         | Malindo<br>Air |         | Foreign airlines |         | Total |         |      |
|--|---------|-----------------|---------|---------|---------|----------------------|---------|--------------|---------|----------------|---------|------------------|---------|-------|---------|------|
| Category / Airlines                          | Mar-Aug |                 | Mar-Aug |         | Mar-Aug |                      | Mar-Aug |              | Mar-Aug |                | Mar-Aug |                  | Mar-Aug |       | Mar-Aug |      |
|  | 2017    | 2016            | 2017    | 2016    | 2017    | 2016                 | 2017    | 2016         | 2017    | 2016           | 2017    | 2016             | 2017    | 2016  | 2017    | 2016 |
| Complaints handling                          | 1       | 4               | -       | 1       | -       | -                    | 6       | 3            | -       | -              | 1       | 3                | -       | -     | 8       | 11   |
| Customer service                             | 8       | 3               | 1       | 2       | 1       | 1                    | 13      | 8            | -       | -              | 5       | 5                | -       | 2     | 28      | 21   |
| Denied boarding                              | 6       | 4               | 4       | -       | -       | 1                    | 38      | 12           | 1       | -              | 3       | 7                | 6       | 5     | 58      | 29   |
| Facilities/inflight services                 | 2       | 1               | -       | -       | 1       | -                    | 7       | 2            | -       | -              | 6       | -                | -       | -     | 16      | 3    |
| Flight cancellation                          | 3       | 20              | 2       | 1       | 2       | 1                    | 23      | 2            | 1       | 1              | 23      | 5                | -       | 1     | 54      | 31   |
| Flight delays                                | 20      | 15              | 8       | 1       | 1       | -                    | 51      | 6            | 1       | 1              | 43      | 27               | -       | 3     | 124     | 53   |
| Food and beverage                            | 1       | -               | -       | -       | -       | -                    | -       | 1            | -       | -              | 1       | -                | -       | 1     | 2       | 2    |
| Frequent flyer program                       | 1       | 1               | -       | -       | -       | -                    | 7       | 1            | -       | -              | -       | -                | -       | -     | 8       | 2    |
| Mishandled baggage                           | 26      | 7               | 5       | 2       | 1       | -                    | 78      | 18           | -       | -              | 23      | 6                | 12      | 4     | 144     | 37   |
| Online booking                               | 15      | 26              | 8       | 4       | 3       | 2                    | 20      | 9            | -       | -              | 7       | 13               | 1       | 2     | 54      | 56   |
| Refunds                                      | 28      | 47              | 10      | 15      | -       | 1                    | 43      | 10           | 2       | -              | 64      | 15               | 8       | 4     | 155     | 92   |
| Safety and security                          | 1       | -               | -       | -       | 1       | -                    | 1       | 2            | -       | -              | -       | 1                | -       | -     | 2       | 3    |
| Special assistance (Persons with Disability) | -       | -               | -       | 1       | -       | -                    | -       | -            | -       | -              | -       | 1                | -       | -     | -       | 2    |
| Upgrading/downgrading                        | 1       | -               | -       | 1       | -       | -                    | 3       | -            | -       | -              | -       | -                | -       | -     | 4       | 1    |
| Others                                       | 6       | 4               | -       | -       | -       | -                    | 8       | -            | -       | 1              | 2       | 2                | -       | -     | 16      | 7    |
| Grand Total                                  | 119     | 132             | 38      | 28      | 8       | 6                    | 298     | 74           | 5       | 3              | 178     | 85               | 27      | 22    | 673     | 350  |

Source: MAVCOM

Note: Complaints on Rayani Air have been excluded from this reporting as they no longer hold an Air Service Licence.

#### Consumer complaints by airport and category



MAVCOM received 4 complaints on airports involving Kuala Lumpur International Airport (KLIA) and Sibu Airport for the March to August 2017 period. This is an increase of 2 complaints compared to the previous period between March to August 2016. The complaints were related to complaints handling and facilities at the airport.

Consumers may submit their complaints to the respective airports in the event they are dissatisfied with airport service levels. Should a consumer not receive a satisfactory response from the airport, they may lodge a complaint with MAVCOM to investigate the matter.

Table 3: Complaint categories by airport for March - August 2017 against March - August 2016

|                     | KL        | .IA  | Si   | bu   | Total   |      |  |  |
|---------------------|-----------|------|------|------|---------|------|--|--|
| Category / Airport  | Mar-      | -Aug | Mar- | -Aug | Mar-Aug |      |  |  |
|                     | 2017 2016 |      | 2017 | 2016 | 2017    | 2016 |  |  |
| Facilities          | 2         | 2    | 1    | -    | 3       | 2    |  |  |
| Complaints handling | 1         | -    | -    | -    | 1       | -    |  |  |
| Grand Total         | 3 2       |      | 1    | -    | 4 2     |      |  |  |

Source: MAVCOM

**Note:** For further details on these categories, please refer to **Appendix 1**.

# **Other Initiatives**

# Driving efficiency and accountability in complaints management of airlines



The Malaysian Aviation Consumer Protection Code 2016 ("MACPC") came into effect on 1 July 2016. Since then, the Commission has been actively monitoring, analysing and tracking the complaints received. The inaugural Consumer Report covering statistics of complaints received between March 2016 to February 2017 was released in April 2017.

As prescribed under Paragraph 22 of the MACPC, the Commission may impose a financial penalty to any person for non-compliance with the MACPC, an amount not exceeding RM200,000, and in the case of a second or subsequent non-compliance, an amount ten times of the financial penalty which was imposed for the first non-compliance.

As the MACPC represented a new set of regulations for the aviation industry in Malaysia, throughout 2016, the Commission made a conscious effort to engage with all airlines to educate and provide guidance on fulfilling the requirements of the MACPC and Paragraph 22 was planned to be enforced in 2017.

Following this initial period of familiarisation, the Commission will soon commence enforcing the financial penalty provisions provided by Paragraph 22 of the MACPC on airlines. With this in mind, MAVCOM has developed a framework by which to quantify proportionate financial penalties for given non-compliances of the MACPC, based on a penalty and compliance matrix ("Matrix").

An announcement on the details of this Matrix will be made in due course. In the meantime, the Commission will continue its efforts to drive efficiency in the management of complaints by airlines with the objective to encourage airlines to self-regulate and aspire to be efficient and accountable for consumer issues.

With this, the Commission hopes that compliance to the MACPC may be improved, especially in the area of timely resolution of consumer complaints within 30 calendar days, for the benefit of consumers at large.

#### **Quality of service framework for Malaysian airports**



On 31 October 2016, the Commission announced a revision to the Passenger Service Charges ("PSC") and its intention to develop a framework to incentivise improvements in airport service levels. The objective of this framework is to enhance passenger comfort at the airport, ensure airports prioritises consumer service levels and facilitate improved airport user experience for airlines, ground handlers and other users of airports in Malaysia.

Pursuant to this, the Commission is developing a Quality of Service framework for airports in Malaysia since early 2017, with a view to roll out the said framework in phases from 2018 onwards. The framework is expected to set service standards and key performance indicators for various airport user experiences, including cleanliness of washrooms, wayfinding, availability and quality of infrastructure, queueing times and quality of internet connections. An airport operator may be imposed a financial penalty in the event relevant service levels deteriorate or fall below a certain expected standard.

Industry consultation sessions on the proposed framework have been conducted during various points of the year, and this included the publication of a consultation paper on the proposed framework in July 2017. The said consultation paper is available on the MAVCOM website at the following link:

http://www.mavcom.my/wp-content/uploads/2017/07/Quality-of-Service-At-Airports-in-Malaysia-%E2%80%93-Consultation-on-regulatory-approach.pdf

This framework is presently still under development and an announcement on the framework will be made in due course. Upon the implementation of the framework, it is anticipated that airports and other agencies at the airport shall endeavor to improve the service levels, resulting in shorter queue times, better facilities and an overall enhanced airport experience for consumers.

### **THANK YOU**



Level 19, Menara 1 Sentrum 201, Jalan Tun Sambanthan 50470 Kuala Lumpur Malaysia

T: +603 2772 0600 F: +603 2772 0601 W: www.mavcom.my

# **Appendix 1**

# **Consumer complaints by category**



| Categories                       | Explanation  |
|----------------------------------|--|
| Refunds                          | Request for reimbursement of money due to the passenger  |
| Mishandled baggage               | Complaints on baggage that is delayed, damaged, pilfered, lost or stolen   |
| Flight cancellations             | Complaints on flights that were cancelled by the airline   |
| Flight delays                    | Complaints in relation to flights that depart more than 2 hours later than the scheduled time of departure reflected in the e-ticket       |
| Online booking issues            | Complaints related to problems faced at the point of online booking such as payment confirmation or e-ticket not received by the passenger |
| Denied boarding                  | Person(s) not allowed to board the flight due to overbooking by the airline  |
| Customer service                 | Complaints on attitude or service level of airline/airport staff   |
| Complaints handling              | Complaints on the manner in which consumer feedback/complaint was handled  |
| Others                           | Complaints on other issues such as long queues at immigration, lack of information counters and attitude of security personnel             |
| Facilities and inflight services | Complaints on facilities and services onboard the aircraft such as toilet cleanliness, food quality and inflight entertainment system      |
| Frequent flyer program           | Complaints related to airline loyalty programs (accrual and redemption of points/ miles)   |

## **Consumer complaints by category (cont'd)**



| Categories                                   | Explanation   |
|--|---|
| Food and beverage                            | Complaints related to food and beverage served by the airlines                          |
| Downgrading                                  | Complaints related to the downgrading of the ticket class                               |
| Special assistance (Persons with Disability) | Complaints related to special assistance (wheelchairs etc.) for Persons with Disability |
| Airport facilities                           | Complaints related to the facilities at the airport                                     |