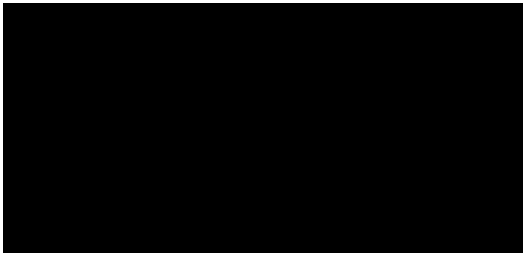


31 July 2023



Official Information Act #23.010 – Response

1. We refer to your request received on 30 June 2023 for information about Air New Zealand (Air NZ). You would like to know if others have had a similar experience to you and whether the Commerce Commission (Commission) has received any complaints about Air NZ flexi fares.
2. We have treated this as a request for information under the Official Information Act 1982 (OIA).

Our response

3. The Commission received 12 complaints or enquiries about Air NZ in the period 1 January 2023 to 30 June 2023, that include a “flexi Fare” issue. This figure includes your two complaints, ENQ0579863 received on 28 May 2023 and ENQ0581297 received on 30 June 2023.
4. We have provided a summary of the other ten complaints or enquiries and the outcomes in **Appendix A** below. None of the complaints have resulted in the Commission taking any enforcement action against Air NZ under the Fair Trading Act 1986 (or any other legislation).
5. The Commission has decided not to take any further action in relation to your two complaints at this time. To provide context to how your complaints were assessed, we have outlined the Commission’s screening process below.
6. The Commission receives thousands of complaints every year. Each complaint is initially assessed by the Screening and Enquiries Team on the basis of the information available at the time. When conducting this initial assessment, the Screening and Enquiries Team considers:

- 6.1 the likelihood of a breach of the relevant legislation (the Fair Trading Act 1986, Credit Contracts and Consumer Finance 2003, and the Commerce Act 1986);
 - 6.2 the Commission's Enforcement Response Guidelines;¹ and
 - 6.3 the Commission's strategic priorities and resourcing constraints.
- 7. The Commission has the power to act on complaints but is not required to take action in relation to all possible breaches of the legislation that we enforce.
 - 8. If a complaint is appropriate for further consideration, it is reviewed by a panel of managers and subject matter experts from within the Competition, Fair Trading and Credit Branches. The panel decides which complaints are to be prioritised for further assessment by the Branch with reference to our Enforcement Response Model.²
 - 9. This process enables us to identify complaints that best reflect our current enforcement priorities.³ The outcomes of the process are not final and we may revisit any complaint at a later stage, should we wish to reconsider the issues it presents.
 - 10. Your complaints were assessed by the Screening and Analysis team and the recommendation made not to take any further action on the basis that the conduct is unlikely to be a breach of the legislation enforced by the Commission. The recommendation was that the issue is better suited to pursuit through the Disputes Tribunal under the Consumer Guarantees Act 1993.
 - 11. We value all information received and will keep the information you have provided in our complaint database. We use our database to identify business practices of possible concern and to help us decide what to investigate in the future.
 - 12. Please note the Commission will be publishing this response to your request on its website. Your personal details will be redacted from the published response.

¹ Available at: <http://www.comcom.govt.nz/the-commission/commission-policies/enforcement-response-guidelines/>

² Our Enforcement Response Model is discussed in more detail from page 3 of the Commission's Enforcement Response Guidelines, available here: https://comcom.govt.nz/_data/assets/pdf_file/0030/62589/Enforcement-Response-Guidelines-October-2013.pdf.

³ For further information, see: <http://www.comcom.govt.nz/the-commission/commission-policies/enforcement-criteria/>

13. Please do not hesitate to contact us at ويا@comcom.govt.nz if you have any questions about this response.

Yours sincerely



OIA and Information Coordinator

Appendix A			
Enquiry number	Date received	Complaint	Outcome
ENQ0574374	25/01/2023	Complainant booked a flexible premium economy return flight with Air NZ. The ticket was code share on the return journey, but it was not revealed until after purchase that premium economy was not available on the return leg. Complainant tried to change flight online and in the app but it was not possible to do so and considers calling the fare “flexi” is misleading.	No Further Action (NFA) ⁴
ENQ0574560	30/01/2023	Complainant booked a business class Air NZ ticket under the global flexi fare rules. Air NZ declined to refund part of the fare and issued a credit instead. Air NZ claim that because a credit was involved, the rules change but this wasn't mentioned at the time of booking.	NFA
ENQ0575301	15/02/2023	Complainant booked an Air NZ fully flexi flight and paid a premium to have the ability to cancel if needed. Complainant cancelled the flight, but almost two months later have not received a refund or advice on when the fare will be refunded.	NFA
ENQ0576533	09/03/2023	Complainant alleges Air NZ's Full Flexi fare is unfair and unacceptable as you can only cancel, get a refund or credit over the phone as opposed to online. They waited on the phone for over an hour before an operator answered.	NFA
ENQ0576804	17/03/2023	Complainant purchased a flexichange Air NZ ticket to Hawke's Bay which later changed three times due to the flooding. Complainant could not use ticket and wished to change to use towards an international flight, but this is not possible. Complainant alleges Air NZ is misleading for not disclosing a condition of the flexi change fare that the ticket can only be changed to a different domestic flight.	NFA
ENQ0577695	06/04/2023	Complainant purchased a flexirefund fare ticket from Air NZ which it was not possible to cancel online. Complainant says	NFA

⁴ The Commission may decide not to take further action in relation to a complaint for a number of reasons. These reasons include, but are not limited to, circumstances where we consider the complaint is better suited to private action by the complainant, the complaint is subject to the jurisdiction of another agency, or where there is no clear breach of the law. However, each complaint and enquiry provides information that is valuable to the Commission. This contributes to future priorities, potential issues for us to watch closely or emerging issues to refer to our policy agency, MBIE. In this regard, we will monitor complaints on information we receive as we look to future prioritisation.

		service was unacceptable as the refund can only be processed over the phone rather than online and it takes an excessive amount of time to process and receive the refund.	
ENQ0578058	14/04/2023	<p>Complainant alleges Air NZ is not able to justify the level of the increase in their fares, and that it is misleading. Pre COVID a Trans-Tasman Works Deluxe fare, with around 4 – 6 weeks lead time cost somewhere between \$NZ 300 – 400.00 dollars (\$600-\$800 return). Post COVID this same fare 4 - 6 weeks out can be as high as \$1,000 – \$1,200 and more (\$2,000 – \$2,400 return). Based on this the fares can be 300% plus, more expensive. Holiday periods can be higher again.</p> <p>The complainant notes that when you book the highest cost fare for international travel, you would expect it to be fully flexible/refundable, no different to domestic travel fares under "fully flexible" but it is not. When you book the fare, it then tells you to make it fully flexible you must pay an additional \$200 – \$300 dollars more (each way) to get full flexibility. This is a hidden cost, misleading and deceptive by nature.</p>	NFA
ENQ0578088	15/04/2023	Complainant alleges Air NZ charges a mixed payment fee when buying a ticket using airpoints and credit card. Complainant thinks it is unfair and unreasonable for Air NZ to charge a \$73.20 mixed payment fee "Flexipay Cost". Complainant tried to contact Air NZ but no response.	NFA
ENQ0580544	08/06/2023	Complainant booked two fully refundable flights with Air NZ. Later, the flight was cancelled due to the weather conditions. Complainant was advised by AirNZ that it would take up to 10-12 weeks to get a full refund due to a backlog. Complainant has been given a reference number but is advised that an email will be sent when the account is refunded.	NFA
ENQ0580757	19/06/2023	Complainant booked a flexi refund fare for an employee. The employee was charged \$37 to change the ticket online even though they were travelling that day to the same destination. Complainant alleges Air NZ is misleading as their terms and conditions are different on the Air NZ website compared to the ticket that was booked.	NFA