



March 10, 2021

Scott Kirby
Chief Executive Officer
United Airlines
233 S. Wacker Drive
Chicago, IL 60606

Dear Mr. Kirby:

Consumer Reports and U.S. PIRG are writing—once again—to you and nine other U.S. airline CEOs on behalf of millions of American air travelers grounded by COVID-19, who simultaneously are experiencing the worst economic downturn since the Great Depression. They are in need of funds for rent, groceries, health care, and education, yet your companies have refused to repay what amounts to billions of dollars to customers who booked flights in good faith but could not get what they paid for due to extraordinary forces far beyond their control.

Last April, Senators Edward Markey, Richard Blumenthal, and Elizabeth Warren, and along with then-Senator Kamala Harris, wrote to you that, by refusing to provide refunds to consumers, collectively your airlines were “sitting on more than \$10 billion in customer cash.”¹ Presumably, that figure remains similarly high today.

We urge you to exhibit better customer service to the millions of American air travelers grounded by COVID-19, by providing the refunds they rightfully deserve. As we approach the one-year anniversary of widespread nationwide lockdowns and quarantines due to this unprecedented pandemic, we are still receiving numerous complaints from customers whose travel plans were disrupted, yet who even now have not received refunds. In many cases, these passengers were prevented from flying by government restrictions, public health notices, or serious medical conditions that made flying during the pandemic unsafe. Far too many of the trips they booked will never happen, due to the

¹ Senator Ed Markey, Press Release (April 17, 2020) (www.markey.senate.gov/news/press-releases/senators-markey-blumenthal-warren-harris-reveal-after-bailout-airlines-sitting-on-customers-billions-but-refuse-to-give-cash-refunds-during-coronavirus-pandemic)

cancellation (not postponement) of conferences, conventions, weddings, graduations, and family reunions.

Yet no U.S. airline has stepped up to offer full refunds in such cases, instead relying on the terms of Contracts of Carriage that protect airline interests above those of consumers. **This is why Consumer Reports and U.S. PIRG urge each of your airlines to provide full refunds to all customers whose bookings were affected by COVID-19, with no exceptions.**

On May 13, 2020, our organizations forwarded letters to each of you accompanied by petitions with nearly 250,000 signatures from passengers seeking cash refunds because their travel plans were disrupted by the pandemic.² At that time we urged you to be responsible corporate citizens.

Subsequently some U.S. airlines began selectively paying refunds to some customers who repeatedly and tirelessly reached out numerous times. By and large, however, you have continued to refuse refunds to your customers.

It is clear the existing regulations on flight refunds are inadequate, and Consumer Reports, U.S. PIRG, and others are urging the U.S. Department of Transportation (USDOT) and Congress to address the many loopholes that airlines and other ticket sellers have exploited. For example, the current rules do not properly cover situations in which flights have not been canceled by the airline, when travelers are compelled to cancel their trip on a flight that is subsequently canceled by the airline, or when consumers choose to book through Online Travel Agencies and other third-party ticket sellers.

As an example, Scott and Nancy Slonim were scheduled to fly from Chicago to Washington, DC, on March 31, 2020. Due to their own underlying health conditions and the threat of the coronavirus, they reached out to the airline on March 17 seeking to cancel travel and requesting a refund. Unfortunately for them, by doing the right thing and cancelling as soon as they knew it would be unsafe to fly, they cost themselves a refund. The airline cancelled the flight the day before travel was to occur. The Slonims cannot get a refund because they cancelled their travel rather than wait for the airline to cancel the flight. As they wrote to the airline:

It is a refund we request, rather than a credit toward another flight[s] even with a waiver of the change fee, because the chronic nature of our illnesses and the uncertainty of when—or if—we'd be able to simply reschedule our trip, doesn't fit our situation. We are afraid that under the circumstances we would not be able to use a credit.

² Letter to US airlines (May 13, 2020) (advocacy.consumerreports.org/research/letter-from-cr-u-s-pirg-and-activist-to-airlines-calling-for-refunds-when-customers-cancel-flights-due-to-coronavirus-crisis/)

The Slonims are not alone in facing this situation. To underscore just how widespread these problems have been, the USDOT's monthly consumer complaints over refund refusals skyrocketed to staggeringly unprecedented levels in 2020. During 2019, a total of 1,574 refund complaints were filed; last year, that number **increased 57-fold**, to 89,518 refund complaints.³ Given these numbers, it is impossible for your industry to claim that U.S. airlines have done right by consumers during COVID-19. Such persistent problems were further exemplified when the Attorney General of Colorado urged the USDOT to investigate Frontier Airlines for “unfair and deceptive practices” in failing to provide refunds.⁴

To your credit, domestic airlines initiated various minor improvements for consumers during the pandemic—including waiving or eliminating change fees and extending expiration dates on travel vouchers—and these were helpful. However, one new analysis indicates that 55% of unused tickets will expire in 2021, and 45% will expire in 2022.⁵

We reiterate: We believe all customers who booked flights affected by COVID-19 should receive full refunds if requested. And meanwhile, your airlines should agree immediately to extend existing vouchers through the end of 2022, and longer if quarantines and lockdowns are still in place next year.

Consumer Reports conducted an analysis of all your companies' voucher policies, and found nine different policies among ten different airlines. Many of these policies are hard to find on your websites, and the language can be quite confusing and at times contradictory, based on conflicting rules for various dates of booking, travel, and cancellation.

We found that Allegiant Air currently offers the most transparent and the most generous voucher policy—a plain-language statement: “You may cancel your reservation and receive a full credit in the form of an Allegiant voucher for future travel, which is good for two years from the date of the initial reservation.”⁶ We urge other U.S. airlines to, at the very least, adopt this approach, and not allow any vouchers to expire during this pandemic crisis.

It's been nearly a year since the United States and the world were hit by a once-in-a-century public health crisis that was accompanied by a severe economic

³ US Department of Transportation (https://www.transportation.gov/sites/dot.gov/files/2021-02/February_%202021%20ATCR.pdf)

⁴ Weiser urges U.S. Department of Transportation to investigate Frontier Airlines consumer complaints (Sept. 1, 2020) (coag.gov/press-releases/9-1-20/).

⁵ Businesses could hold \$400k in unused travel tickets, *Fintech Finance* (Feb. 18, 2021) (www.fintechf.com/01-news/businesses-could-hold-400k-in-unused-travel-tickets/).

⁶ www.allegiantair.com/travel-alerts

crisis. The airline industry has received very generous support from taxpayers while stiff-arming its customers and treating their hard earned dollars as interest free loans. The time has come to provide your customers with these long-overdue refunds.

Please feel free to contact us if you have any questions. Thank you for your consideration.

Sincerely,

William J. McGee
Aviation Adviser
Consumer Reports

Teresa Murray
Consumer Watchdog Director
U.S. PIRG