



AirAsia X commits to process for customers affected by cancelled Kuala Lumpur and Denpasar flights

21 April 2015

AirAsia X has provided a commitment to address significant consumer concerns in relation to a number of services being cancelled or re-routed, following action by the Australian Competition and Consumer Commission.

In December 2014, AirAsia X announced that it would no longer be providing direct flights between Adelaide and Kuala Lumpur from 25th and 26th of January 2015. Passengers were required to either cancel their flights and rebook on other airlines, or make their own way to Perth or Melbourne in order to travel to Kuala Lumpur with AirAsia X. As a result some consumers incurred additional out-of-pocket expenses.

Separately, AirAsia X did not obtain regulatory approval from Australia's Civil Aviation Safety Authority in time to commence flights between Melbourne and Denpasar from 26th December 2014 as advertised. In this instance, consumers were given the option of being re-routed via Kuala Lumpur which increased the duration of the flights, disrupted customer's travel arrangements, and causing additional consequential costs to some.

These actions by AirAsia X led to a significant number of consumer complaints to the ACCC and other state and territory consumer affairs agencies, particularly in Victoria and South Australia. Complaints identified significant delays in receiving refunds and concerns over the treatment of out-of-pocket expenses incurred.

"Consumers are entitled to compensation for any reasonably foreseeable loss due to the failure of a business to deliver a contracted service, and these claims should be dealt with promptly," ACCC Chairman Rod Sims said.

AirAsia X commits to changes for customers

Written by ACCC

“It is very important that any business has in place systems and processes to properly handle and consider customer refunds and that they can adjust quickly when things go wrong and there is an increase in the number of claims,” Mr Sims said.

Following discussions with the ACCC, AirAsia X has published a notice on its website advising that for consumers affected by the cancellation of its Melbourne/Denpasar and Adelaide/Kuala Lumpur services:

- all outstanding requests for alternative flights, credits and refunds have now been processed;
- AirAsia X is committed to process any future requests for alternative flights, credits and refunds within 14 days ;
- AirAsia X will expeditiously process valid claims for reasonable out of pocket expenses for affected passengers in a fair and reasonable manner;
- customers can re-lodge claims previously made to AirAsia X for re-assessment; and
- a report on the handling of claims for out of pocket expenses will be provided to the ACCC.

Consumers affected by these flight cancellations should follow the claims process outlined in the notice published on the AirAsia X website. Consumers who remain dissatisfied should contact their state or territory fair trading agency.

The ACCC worked closely with other Australian Consumer Law regulators, in particular Consumer Affairs Victoria and Consumer and Business Services South Australia, to address the concerns that had been raised by consumers.

The ACCC acknowledges that AirAsia X has moved to address a number of concerns and has put in place a number of systems aimed at preventing this situation from arising again.

The ACCC will continue to monitor the situation on behalf of consumers.

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Further information is available at <http://www.airasia.com/au/en/about-us/important-information-for-passengers-affected-by-disruptions-to-the-melbourne-denpasar-and-adelaide-kuala-lumpur-routes.page> (link is external)