

New, simple and automatable refunds process

From 10th May, British Airways will begin implementing a change to the refunds policy for British Airways fares. This will enable our trade partners to automate refunds as it will use industry standard ATPCO Category 33. The automation will lead to a reduction in the time taken to process refunds for British Airways customers. We will begin this process with public fares, and later private fares, helping to streamline the overall customer experience.

Current Refunds Policy

As per the standard text in **Category 16** ('Penalties Category') of the fare rules, our current policy reads:

When combining fares that have cancellation fees, the highest cancellation fee of each of the cancelled pricing units applies with the following exception.

When combining a refundable fare with a non-refundable fare:

1. The amount paid on the refundable fare component is refunded less any applicable penalty
2. The amount paid on the non-refundable fare component will not be refunded

New Refunds Policy

We will be simplifying the policy to apply all cancellation fees per fare component. This will be reflected in the fare rules.

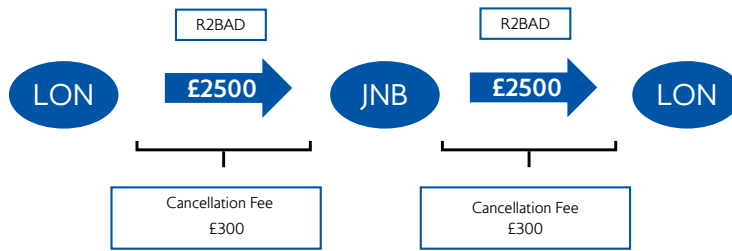
When combining non-refundable fares with refundable fares:

1. The amount paid on each refundable fare component is refunded
2. The amount paid on each non-refundable fare component will not be refunded
3. When combining fares, charge the sum of the cancellation fees of all cancelled fare components

We will also be coding this policy in **Category 33** ('Voluntary Refunds') of the fare rules to enable refunds to be automatically calculated using industry solutions.



Example 1: Each fare component has the same cancellation fee.



Current refund rules

All fare components are refundable minus the largest cancellation fee

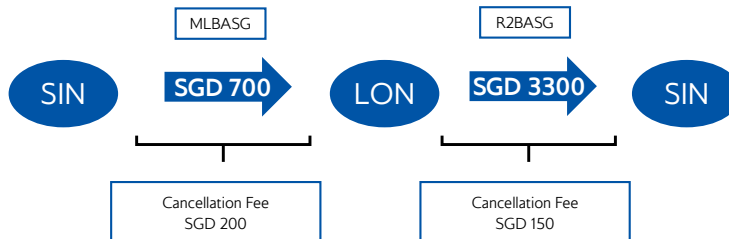
Fare paid £5000
Amount refunded £4700
Cancellation fee £300 (Largest fee £300)

New refund rules

All fare components are refundable minus the cancellation fee for each fare component.

Fare paid £5000
Amount refunded £4400
Cancellation fee £600 (£300 + £300)

Example 2: Each fare component has a different cancellation fee.



Current refund rules

All fare components are refundable minus the largest cancellation fee

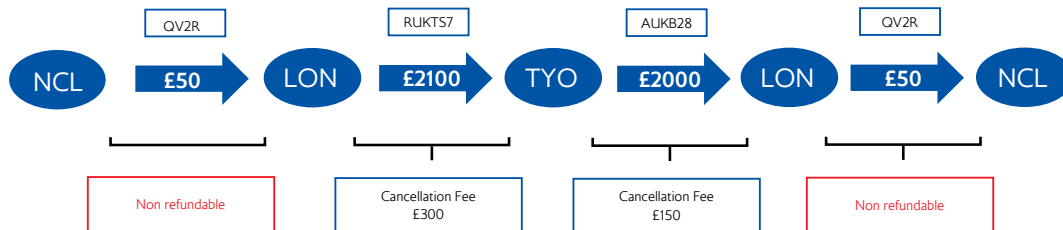
Fare paid SGD 4000
Amount refunded SGD 3800
Cancellation fee SGD 200 (Largest fee SGD 200)

New refund rules

All fare components are refundable minus the cancellation fee for each fare component.

Fare paid SGD 4000
Amount refunded SGD 3650
Cancellation fee SGD 350 (SGD 200 + SGD 150)

Example 3: Each fare component has a different cancellation fee including 'non-refundable'. (This example is for illustrate purposes only and not based on actual fares).



Current refund rules

LON – TYO – LON fare is refundable minus the largest cancellation fee. NCL – LON – NCL fare is non-refundable.

Fare paid	£4200
Amount refunded	£3800
Cancellation fee	£300 (Largest fee £300)
Non-refundable	£100 (£50 + £50)

New refund rules

LON – TYO – LON fare is refundable minus the cancellation fee for each fare component. NCL LON NCL fare is non refundable.

Fare paid	£4200
Amount refunded	£3650
Cancellation fee	£450 (£300 + £150)
Non-refundable	£100 (£50 + £50)

Advice For Our Trade Partners

- The new refund rules will be phased in for applicable fares from 10th May 2016
- Customers must be briefed on the refund rules at the point of sale