

# POYNER BAXTER LLP

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**For Immediate Release**

## **Lawsuit claims British Airways guilty of illegal, deliberately deceptive pricing**

(VANCOUVER, B.C., 14 May, 2010) - A class action lawsuit filed here against British Airways PLC ("BA") characterizes false "taxes" added on to advertised air fares, a practice commonplace in the aviation industry, as "high-handed, reprehensible and deserving of condemnation and punishment."

The suit was filed in April, 2010 by the law firm of Poyner Baxter LLP of North Vancouver under B.C.'s "Class Proceedings Act." Such a suit is typically brought in the name of one or more individuals as "representative of a class," and, if successful, would apply to B.C. sales of BA tickets in which these so-called "taxes" have been charged.

BA's practice of mixing actual tax charges and airport fees (payable to governments and airports) with vastly larger false "taxes" paid into its own treasury, is common amongst many international airlines including Air Canada. Therefore, it could be expected that this lawsuit, if successful, would impact international fares sold in B.C. by several airlines.

The Statement of Claim filed in the Supreme Court of British Columbia alleges "deceptive practices" under this province's Business Practices and Consumer Protection Act (BCCPA).

The named complainant in the BA action, Senkal Ozturkler of Richmond, B.C., purchased a return ticket to Istanbul, Turkey, via London, UK, for \$969.93. She was subsequently advised that her fare, after taxes, was \$1,420. Only a small portion of the additional charges constituted tax or third-party charges of any description - \$326 went straight to the airline.

Said lawyer Jim Poyner, "there is a full page of codes within the International Air Transport Association's (IATA) guidebook for travel agents, citing taxes and charges for many different items. The sum of these taxes is coded on the traveller's invoice as "XT" - meaning 'total taxes' - but included within "XT" are charges coded YQ (YR by Cathay Pacific), defined by IATA as '*airline own use only*'."

Poyner said that these deceitful charges have provoked controversies worldwide. He cited a 2009 case brought in the Federal Court of Australia in which a major travel agency, Leonie's Travel, sued the national carrier, Qantas. Leonie's Travel maintained that Qantas had engaged in misleading and deceptive conduct in contravention of the *Trade Practices Act* in requiring travel agents to include the 'fuel surcharge' in the 'tax/fee/charge' box on all paper tickets and in the 'taxes/charges' field on receipts through electronic tickets.

Justice Moore noted that the fuel surcharge was not imposed by government authorities, yet it appears on the ticket, and within the stated "terms and conditions," under the heading "Notice of Government Imposed Taxes, Fees and Charges." In these circumstances Justice Moore found that Qantas had engaged in "misleading and deceptive conduct" as it is likely that some members of the travelling public would have laboured under the erroneous assumption that all amounts shown were paid to a government authority or other third party but not to Qantas.

"Several airlines do not engage in this reprehensible practice," Poyner said. "Among these are KLM and Northwest Airlines."

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Lawyer Ken Baxter added: "the issue here is misrepresentation, not taxes or surcharges. We don't care whether an airline bills extra for fuel, pilots, pretzels or newspapers, as long as the obligatory cost of travel is up front, and publicly advertised as such."

The suit seeks an injunction to stop this practice, a refund of the false "taxes" and punitive damages.

The complete text of the Statement of Claim can be found at [www.poynerbaxter.com](http://www.poynerbaxter.com).

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