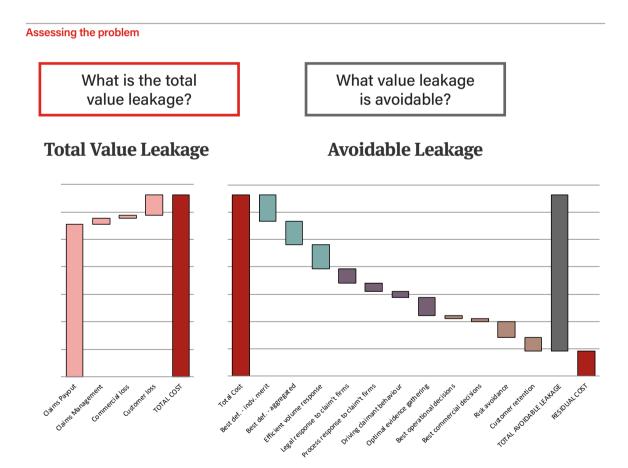


An EC261 case study and a new solution

NRF *Transform*

Background

EC261 requires airlines to provide compensation of between €250 and €600 to passengers in respect of delayed or cancelled flights or denied boarding. This is a burden for every airline which operates within or out of the European Union, regardless of how well run the airline is.





Value leakage

Level 3 **Business** response leakage Level 2 Claimant firm leakage Level 1 Claim response leakage

Informing evidence gathering procedures \mid e.g. what's recorded in a log / overseen, and passed on

Informing evidence pack / material prep | e.g. what goes in evidence and where to focus (e.g. reasonable measures)

Rerouting or scheduling of aircraft e.g. informed by a propensity model based on route and delay length, linked to an anticipated win / loss ratio, with a confidence level.

Informing commercial positions through EC261 understanding | e.g. informing ticket price and landing fees on new routes, based on liability forecasts for the route

Financial provision e.g. better forecast of business costs

Fraud identification | e.g. unusual patterns of claims

Issue forecasting and preparation | e.g. use of European small claims procedures or European orders for Payment; advanced implementation of responses to new precedent

Good claims experience e.g. Rapid, Reliable, Consistent

Strategic selection of precedent challenge | e.g. Recognising & taking / leaving opportunities to escalate to appellate courts , such as Strikes, Flight Sectors

Avoiding burden assumption | e.g. over checking without consequence for claimant firm, rather than pushing back responsibility (fraud defence?)

Eliminating process mistake costs e.g. paying claimants without a valid claim: e.g. who've already claimed, who weren't on the flight, failing to keep timetables leading to inflated charges

Undermining claimant business model e.g. requiring direct entry of claims; pushing payment processing onto claimant firms; refusing to accept process shortcomings when a lower admin cost to the airline than to the claimant firm. NOTE: a robust defence process is the best deterrent of claimant firms

Shared defences | e.g. upgrading protections to a highest common denominator (see airlines repeating learning curves)

Best arguments e.g. Reasonable measures

Best articulation of arguments e.g. "Speeding up the plane"

Best procedural / policy response e.g. Pushing claims to the right point of defence and no further.

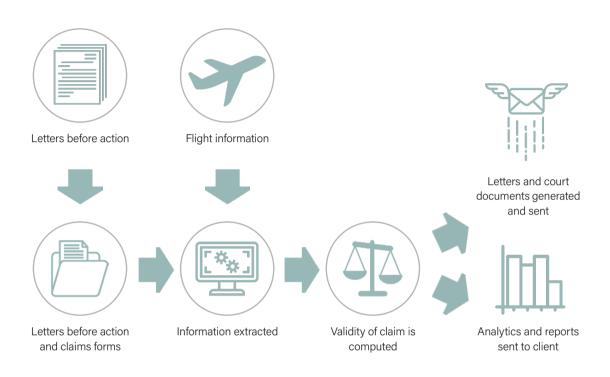
Understanding patterns in defence and judicial positioning e.g. recognising courts and judges who are claimant friendly; recognising courts following different procedures; counsel selection

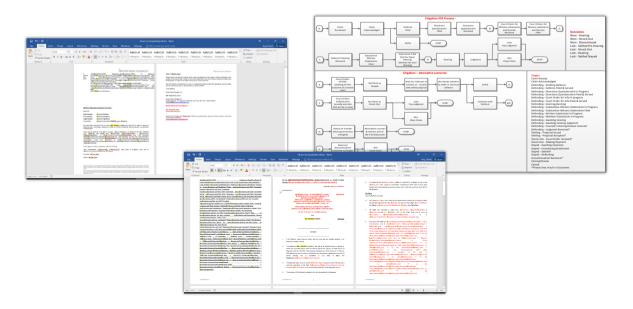
Efficient operations e.g. Optimal resourcing by allocation and inventory; Optimal qual. check levels; consolidation or automation of manual steps (API data pulls / OCR); step sequencing (evidence and history checks); Task handoffs and data feeds

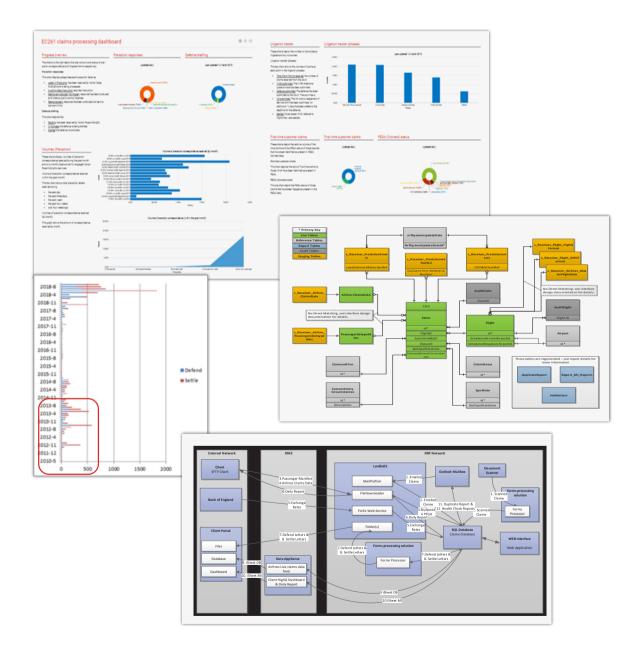
Consolidating claims e.g. Recognising & taking opportunities to have numerous claims on a flight heard together, saving cost

Scalable solution | e.g. Having a structure in place to respond to spikes – avoiding unnecessary pay-outs

Process and solution









Features

Partnering with airlines to build and run an (i) end-to-end, (ii) pan-European, (iii) tech enabled (iv) operationally holistic, scaleable & disciplined solution, (v) based on best in class legal expertise

| Holistic | A solution that contemplates every aspect of the cost of EC261, and addresses the total avoidable loss |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scalable | Surge capacity covered up to 100% of target volumes, and a delivery approach that could reliably accommodate this. |
| Targeted, robust, commercial and accurate | An approach that reliably gives the most appropriate response, at every step of the process. Responding to claims is relatively simple – despite scale we will use a combination of expertise, process and technology to defend each claim so as to lead to the best commercial client outcome |
| Cross airline | A solution which leverages observations and best practice across the aviation industry |
| Leading expertise | Solution provided by our tier 1 aviation practice (Chambers / Legal 500) and award winning Transform program, incorporating operations, process and technology experts, with traditional legal expertise |
| Managed service | We would run in scope activity as a completely managed service – all operational issues, administration and investment covered. Crucial, includes rigorous continuous improvement |
| Fully integrated | Full integration with client systems, operational protocols and legal / risk positions |
| We bear build investment | No charge to client until tailored build complete, and services being delivered, based on a 3 year contract |
| | Internal investment authorised for up to 3 airlines in 2020 |
| Outcome based pricing | Pricing based on deliverables |
| pan-European coverage | Solution can be deployed in all European jurisdictions |
| | |

Modules





Phase 1 Tailor

Phase 2 Deliver

- 4 6 months
- Product tailored to client specific operational protocols, system and data feeds, and risk policies
- No cost to client in this period
- Service delivered
- 3 year period
- Monthly invoicing on deliverables

Next steps

Contacts



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