

Heathrow 'considering next steps' as airlines secure victory on passenger charges

Heathrow Airport says it is "considering its next steps" after the industry regulator ruled it must cut per passenger fees it charges airlines from next year.

The Civil Aviation Authority (CAA) said Britain's hub airport could charge an average maximum price per passenger of £27.49 over the 2022-2026 period.

It marked a significant victory for airlines using the west London airport who have long argued that charges are too high.

The charge covering this year, which is passed down to passengers via their tickets, is £31.57.

Airlines including British Airways and Virgin Atlantic have complained it is currently the highest in the world but Heathrow says it is crucial to support investment and its recovery from the COVID pandemic.

It had sought to increase charges to a range between £32 and £43 over the four year period.

But the CAA said in a final decision on the regulated cap: "This lower level of charges from 2024 recognises that passenger volumes are expected to return to pre-pandemic levels and should benefit passengers in terms of lower costs, while also allowing [Heathrow](#) Airport Limited to continue investing in the airport for the benefit of consumers and supporting the airport's ability to finance its operations.

"The package includes a £3.6bn capital investment programme. Passengers will benefit from investments such as next generation security scanners and a new baggage system in

Terminal 2, which are collectively expected to cost around £1.3bn and should bring considerable passenger benefits, including an improved security experience and more resilient infrastructure.”

A company spokesperson responded: “The CAA has chosen to cut airport charges to their lowest real terms level in a decade at a time when airlines are making massive profits and Heathrow remains loss-making because of fewer passengers and higher financing costs.

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Heathrow boss sees ‘good Easter and summer ahead’

“This makes no sense and will do nothing for consumers at a time when the CAA should be incentivising investment to rebuild service. We will now take some time to carefully

consider our next steps.”

Virgin Atlantic boss Shai Weiss welcomed the ruling but said the CAA should have gone further.

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“After nearly two years of consultation and an abundance of evidence that supports a significantly lower price cap, the CAA has finally adjusted course,” he said.

“However, an average cap of £27.49 until 2026, adjusted for inflation, still penalises passengers at the world’s most expensive airport, which by its own admission, grew more than any other airport last year.

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“The CAA has not gone far enough to push back on a monopolistic Heathrow and fulfil its statutory duty to protect consumers.”

In a clear sign that relations between the airport and its airline customers remain fraught, he added: “Heathrow has abused its power throughout this process, peddling false narratives and flawed passenger forecasts in an attempt to win an economic argument.”