CARRIERS HIT BY TAX REFUNDS STORM

News / Airlines

Budget airlines Scoot, AirAsia and Thai AirAsia have been inappropriately charging administration fees when returning the departure tax on canceled trips, the Consumer Council said.

Airlines receive HK$60 million a year from the Civil Aviation Department to help collect and refund the air passenger departure tax from travelers, the council said.

And so it is unfair, chairman of publicity and community relations committee Michael Hui King-man added, for airlines to charge passengers who do not board flights administrative fees for tax refunds while receiving the CAD payment at the same time.

In response, a spokesman for Scoot said it will refund the tax without charging administration fees if customers write to its Singapore office within six months of the departure date.

AirAsia, which owns Thai AirAsia, said customers who use credit cards to pay for tickets instead of a membership account will be charged an administration fee for the refund of a composition of airport tax, including the departure tax.

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The fee will vary depending on the flight destination.

The council also found that of 14 airlines surveyed some including Cathay Pacific and Dragonair do not arrange for a refund of the tax payment unless passengers make a claim.

Gilly Wong Fung-han, the council's chief executive, said some of the 1,458 complaints filed in the first nine months are related to the difficulty and the waiting time needed to get a refund.

Hui added: "Many customers don't even know they can get a refund."

There is no mechanism to monitor refund policies of airlines or how they should handle tax payments that are not refunded.

"My assumption is that they have to do extra work as well as give back the money," Hui said.

Apart from the departure tax pinned on every outbound ticket, customers are also charged passenger and cargo fuel surcharges and airport passenger security and terminal building charges.

"All the airlines should be required to show a breakdown of the details of tax charged in order to increase transparency and for customers to understand what they are paying for," Hui said.

And the CAD should take an active role in mapping out a clear procedure on how passengers may get the refund, he added.

One way is for airlines to give the refund to the CAD, with which passengers may then apply for a claim.

The CAD said it will consider the council's suggestions.

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