

The Rt Hon Mark Harper MP
Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
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SW1P 2AA

By email: transportsecretary@dft.gov.uk

14 June 2023

Dear Secretary of State for Transport

Collapse of three flight schools – urgent action needed

Following the collapse and liquidation of three UK flight schools in 2023, we the undersigned have significant and growing concerns about the provision of commercial pilot training within the UK.

Three UK-CAA approved flight schools (ATOs) have gone bust in as many months so far in 2023, the last two (Tayside Aviation and FTA Global) leaving large sums owing to customers who had paid in advance for flying training. The amounts presently owed to customers of these ATOs appear to be in the order of £4million, with individual customers owed up to £80,000 each. These are sums they are not likely to recover from the liquidators.

There is no reason for an ATO to ask for amounts like this up-front other than to fund their liquidity, and that is exactly the time that they should be prevented from doing so because the risk of insolvency and of customers subsequently losing their money is already high.

We have anecdotal evidence that some ATOs will not allow credit cards to be used for these advance payments, thus losing the consumers the protection they would otherwise have had under S75 of the Consumer Credit Act. **We believe that it is time for the CAA to take action to stop ATOs from taking large up-front payments from consumers.**

We also note that the CAA has a statutory responsibility under Retained EU law to operate an ongoing oversight program for UK-approved ATOs which includes requiring '*evidence of sufficient funding*'. **We do not believe that to date the UK CAA has discharged this responsibility diligently, or indeed at all.**

Our recommendations are that the UK CAA immediately:

1. Make it a requirement of an ATO's ongoing approval that they may not take advance payments or 'deposits' from consumers in excess of £5000 and that the option of payment by credit card must always be available, and with no surcharge applied.
2. Review its oversight procedures for ATOs in order to achieve proper compliance with ARA.ATO.105 in retained EU law.
3. Consider the setup of a consumer protection scheme in the manner of ATOL that protects student pilot funds.

These matters are of critical importance to the future success and prosperity of the UK Aviation sector: we would like to meet with you urgently to discuss this.

Yours sincerely,

Captain Paul Naylor: Executive President of the British Airline Pilots' Association

Samantha Walkinshaw: Executive Vice-President of the British Airline Pilots' Association

Alex Whittingham: Founder of Bristol Ground School in 1992 and Wings Alliance 10 years ago.

Rod Wren: Director of Bristol Ground School and CEO of Wings Alliance. Former Oxford Head of Training. Founder of CTC McAlpine which CTC and eventually was bought by L3.

Ian Seagar: Owner and CEO of Flyer magazine and the Pilot Career Live Events.

Cc: Baroness Vere, Aviation Minister
Sir Stephen Hillier, CAA Chair
Rob Bishton and Paul Smith, Interim Chief Executives of CAA
Lord Richard Balfe, BALPA Honorary President
Lord Larry Whitty, BALPA Honorary Vice President



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