

Release: Consumer Rights Violation: FCCPC cautions Air Peace against obstructing inquiry

Sunday, December 8, 2024: The Federal Competition and Consumer Protection Commission (FCCPC) notes, with consternation, the latest outburst by Air Peace in what seems a series of ploys calculated to both obfuscate the issues and distract the Commission from the ongoing inquiry into alleged exploitative ticket pricing among other potential violations of consumers' rights.

Last Thursday, the Commission had had to refute a report syndicated in a section of the media which grossly misrepresented the proceedings at a meeting between its officials and Air Peace team earlier on December 3 at the Commission's Abuja headquarters, as a follow-up to an avalanche of petitions received from passengers in recent times.

Although Section 33 of the Federal Competition and Consumer Protection Act (FCCPA) 2018 grants the Commission discretionary power to conduct inquiries in public or in camera, the FCCPC chose to conduct the December 3 session in camera as a gesture of good faith to preserve the confidentiality.

But no sooner had the session ended than leaks appeared in the media attributing unfounded but prejudicial statements to the Commission's officials, categorically declaring that "Air Peace was not under investigation" and copiously quoted the Air Peace's Chairman, Mr. Allen Onyema, engaging in ostentation of self-adulation. Curiously, the same media leaks omitted a boastful statement by Mr. Onyema at the same December 3 engagement that he could decide to shut down the airline, ostensibly to show he was doing the nation a favour by flying.

In the December 5 statement, the Commission restated that the inquiry was still ongoing, urging the public to be wary of manufactured news, since the report was not disseminated on the Commission's official communication platforms.

In a dramatic turn of events on Friday, Air Peace addressed a press conference in Lagos where it made several outlandish claims and innuendos obviously intended to whip up sentiments but conveniently avoided addressing the real issues.

For instance, in asserting that only the aviation regulatory agency could inquire into its affairs, Air Peace only betrays a terribly poor understanding of both the legal and moral pillars of its operating environment. Passengers are consumers of its services. Their rights are inalienable and guaranteed under the FCCPA. It is the basis of FCCPC' intervention.

As stipulated in Section 17(e) of the FCCPA 2018, the FCCPC is mandated to carry out inquiries considered necessary or desirable in connection with any matter falling within the purview of the Act. Furthermore, Section 127(1)(a) empowers the FCCPC to ensure that pricing practices across all sectors, including aviation, are fair, competitive, and non-exploitative. Specifically, it states that no undertaking shall offer to supply, supply, or enter into an agreement to supply goods or services at a price or on terms that are manifestly unfair, unreasonable, or unjust.

Pursuant to Section 148(3)(c) of the FCCPA 2018, the FCCPC, upon receipt of a consumer complaint, can direct an inspector to institute an inquiry and investigate the matter as quickly as practicable to determine whether the undertaking has acted inconsistently with the provisions of the Act.

The inquiry into Air Peace's pricing practices stems from allegations of unjustified fare increases on advance bookings for certain domestic routes, lack of transparency in pricing structures and practices that potentially contravene consumer rights and fair competition principles.

Even more disturbing was the assertion by Air Peace at the press conference that the sum of between N500,000 and N700,000 should be the ideal fare for a one-hour domestic flight in Nigeria. It claimed it spends an average of N7m to fuel an aircraft for a one-hour flight. But some of the petitions by consumers before the Commission strongly contest such claim. The

argument is made that the typical Boeing 737-500 flown by Air Peace takes N4m to fill a tank of 4,500-litre Jet A1 capacity. With a full load of 120 passengers by a Boeing 737-500 vessel, a whopping N24m is earned when a one-hour flight is sold at the current average of N200,000. At the N500,000 being proposed by Air Peace as the “most ideal fare”, it then means a Boeing 737-500 would be fetching a whopping N60m per one-hour service!

Interestingly, at a time Air Peace proposes N500,000, another airline has reduced fare to N80,000 on not just one-hour Abuja-Lagos flight but also on other domestic routes, thereby demonstrating that affordability and operational sustainability can coexist in the same operating environment. That recent singular action by a competitor has led some petitioners to ask whether the fuel Air Peace uses is being imported from the United States at higher cost.

Some other petitions before the Commission accuse Air Peace of being the one instigating other airlines (which ironically possess far smaller fleet individually) to hike fares in the local aviation industry.

Also, some petitioners have accused Air Peace of cancelling flights arbitrarily without care nor compensation for passengers. Only penultimate Friday (November 29), the domestic wing of the Nnamdi Azikwe International Airport witnessed a rampage by irate passengers of Air Peace at 10PM following more than four-hour delay on the Abuja-Lagos service, thereby threatening public peace. It took the intervention of a combined team of security agents to restore normalcy that night at the nation’s premium international gateway.

Passengers have also complained that when they sought to utilise their tickets on another day after suffering untold inconveniences of flight delay or cancellation earlier, they were asked and forced to pay 50% surcharge.

These are some of the weighty issues the Commission is looking into with a view to ensuring that Nigerian passengers are not exploited unduly through price-fixing and gouging.

For the avoidance of doubt, let it therefore be noted that no amount of blackmail or cowboy tactics can stop the Commission from the ongoing thorough investigation of the allegations against Air Peace with a view to taking the appropriate action in accordance with the provisions of the FCCPA.

The Commission reassures the public that it remains resolute in its mandate under Section 104 of the FCCPA, which establishes the Act as the principal legislation governing competition and consumer protection in Nigeria. The Commission is committed to safeguarding consumer rights, promoting market fairness, and fostering a competitive and transparent marketplace across all sectors, including aviation.

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