



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
On the First day of April, 2014

**Skyscanner Limited**

**Violations of 14 CFR 257.5(d) and 399.85(b) and  
49 U.S.C. § 41712**

**Docket OST 2014-0001**

**Served April 1, 2014**

**CONSENT ORDER**

This order concerns violations by Skyscanner Limited (Skyscanner) of 14 CFR 257.5(d) and 399.85(b) and the statutory prohibition against unfair and deceptive practices and unfair methods of competition, 49 U.S.C. § 41712. It directs Skyscanner to cease and desist from future similar violations and assesses the company \$40,000 in civil penalties.

**Applicable Law**

Skyscanner is a ticket agent<sup>1</sup> that arranges air transportation and is therefore subject to detailed code-share disclosure requirements found in 49 U.S.C. § 41712(c) and 14 CFR Part 257. Under section 41712(c), ticket agents are required to disclose the name of the operating carrier providing the service for each segment of a passenger's itinerary "on the first display of the Web site following a search of a requested itinerary in a format that is easily visible to a viewer." Failure to disclose the required information is an unfair and deceptive practice in violation of section 41712(a). In addition, 14 CFR 257.4 states that the holding out or sale of scheduled passenger air transportation involving a code-sharing arrangement is an unfair and deceptive trade practice in violation of 49 U.S.C. § 41712, unless, in conjunction with that holding out or sale, the

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<sup>1</sup> A "ticket agent" is defined as "a person (except an air carrier, a foreign air carrier, or an employee of an air carrier or foreign air carrier) that as a principal or agent sells, offers for sale, negotiates for, or holds itself out as selling, providing, or arranging for air transportation." 49 U.S.C. § 40102(a)(45).

ticket agent follows certain requirements, including those of 14 CFR 257.5(d). The specific terms of section 257.5(d) require that print advertisements, including those published on the Internet, “prominently disclose that the advertised service may involve travel on another carrier,” “clearly indicate the nature of the service in reasonably sized type,” and “identify all potential transporting carriers... by corporate name and by any other name under which that service is held out to the public.” Violations of section 257.5(d) constitute unfair and deceptive practices and unfair methods of competition in violation of 49 U.S.C. § 41712(a).

Skyscanner is also subject to the baggage fee disclosure requirements of 14 CFR 399.85(b), which direct ticket agents to clearly and prominently disclose on the first screen in which they offer a fare quotation for a specific itinerary selected by a consumer that additional fees for baggage may apply. The disclosure must indicate where consumers can view the applicable baggage fees. A ticket agent may refer consumers to airline websites where specific baggage fee information may be obtained or elsewhere on its own site if it displays airline baggage fees. Violations of section 399.85(b) constitute unfair and deceptive practices and unfair methods of competition in violation of 49 U.S.C. § 41712(a).

### **Facts**

An investigation by the Office of Aviation Enforcement and Proceedings (Enforcement Office) revealed a lack of compliance by Skyscanner with 14 CFR 257.5(d) and 49 U.S.C. § 41712(c). On its Internet website, [www.skyscanner.com](http://www.skyscanner.com), Skyscanner failed to properly disclose the existence of code-sharing arrangements when advertising flights operated by a regional air carrier on behalf of a major air carrier pursuant to a code-share arrangement between them. Specifically, Skyscanner did not display the corporate names of the transporting carriers and any other names under which those flights were held out to the public on its flight itinerary pages. As a result, consumers were unable to learn the identity of the airline that would actually operate the aircraft on which they would be flying. By failing to properly disclose such code-share arrangements, Skyscanner violated 14 CFR 257.5(d) and 49 U.S.C. § 41712(a).

The investigation also revealed a lack of compliance by Skyscanner with section 399.85(b). Specifically, on the first screen in which a fare quotation for a specific itinerary is offered to consumers, Skyscanner failed to clearly and prominently disclose that additional fees for baggage might apply and where consumers could view the applicable baggage fees. By failing to properly disclose baggage fee information, Skyscanner violated 14 CFR 399.85(b) and 49 U.S.C. § 41712(a).

### **Mitigation**

In mitigation, Skyscanner states that at the time the violations occurred, it did not consider itself to be a ticket agent falling within the scope of 49 U.S.C. 40102 (a)(45) due to the manner in which the Skyscanner business operates. Skyscanner states that it compares prices for air travel, and directs consumers to the airline or online travel agent

website as appropriate, where they book their tickets for travel. Skyscanner further explains that all tickets for travel are purchased by consumers directly from the airline or online travel agents to whom they are referred by Skyscanner, and consumers are clearly informed as to how tickets for travel are purchased, and the fact that such tickets for travel are not purchased from Skyscanner. Skyscanner states that it does not sell, offer for sale, negotiate, hold itself out to sell, or arrange any air transportation on behalf of consumers.<sup>2</sup>

Nonetheless, the Enforcement Office has concluded that Skyscanner's operations constitute those of a ticket agent. Skyscanner, however, reserves the right to challenge that conclusion in the future. Skyscanner states that it has revised its website to comply with the Department's code-share disclosure and baggage fee notice requirements, and at all times, it worked on a cooperative basis and engaged positively with the Department. Skyscanner further states that it utilizes information provided by third party ticketing providers in relation to code-sharing. Skyscanner states that it will continue to monitor its data feeds and website in order to further build consumer trust in its services.

### **Decision**

The Enforcement Office has carefully considered the information provided by Skyscanner, but continues to believe enforcement action is warranted. The Enforcement Office and Skyscanner have reached a settlement of this matter in order to avoid litigation. Without admitting or denying the violations described above, Skyscanner consents to the issuance of this order to cease and desist from future violations of 14 CFR 257.5(d), 14 CFR 399.85(b), and 49 U.S.C. § 41712(a), and to the assessment of \$40,000 in compromise of potential civil penalties otherwise due and payable pursuant to 49 U.S.C. § 46301.

The compromise assessment is appropriate considering the nature and extent of the violations described herein and serves the public interest. It establishes a strong deterrent to future similar unlawful practices by Skyscanner and other ticket agents.

This order is issued under the authority contained in 14 CFR Part 1.

ACCORDINGLY,

1. Based on the above information, we approve this settlement and the provisions of this order as being in the public interest;
2. We find that by failing to properly disclose code-sharing arrangements, Skyscanner Limited violated 14 CFR 257.5(b) and engaged in an unfair and deceptive practice in violation of 49 U.S.C. § 41712(a);

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<sup>2</sup> Skyscanner receives commissions for providing services that result in the sale of air transportation and therefore the Enforcement Office believes that Skyscanner is a ticket agent covered by the Department's rules.

3. We find that by failing to clearly and prominently disclose on the first webpage of its website in which it offered a fare quotation for a specific itinerary selected by a consumer that additional airline fees for baggage may apply and where consumers could view the applicable fees, Skyscanner Limited violated 14 CFR 399.85(b) and engaged in an unfair and deceptive practice in violation of 49 U.S.C. § 41712(a);
4. We order Skyscanner Limited, its successors, its affiliates, and all other entities owned by, controlled by, or under common ownership and control with Skyscanner Limited, its successors, its affiliates, and its assigns to cease and desist from further similar violations of 14 CFR 257.5(d), 14 CFR 399.85(b), and 49 U.S.C. § 41712;
5. We assess Skyscanner Limited \$40,000 in compromise of civil penalties that might otherwise be assessed for the violations described in ordering paragraphs 2 and 3, above. Of this total penalty amount, \$20,000 shall be due and payable within thirty (30) days of the date of this issuance of this order. The remaining portion of the civil penalty amount, \$20,000, shall become due and payable immediately if, within one year of the date of issuance of this order, Skyscanner Limited violates this order's cease and desist provisions or fails to comply with the order's payment provisions, in which case Skyscanner Limited, may be subject to additional enforcement action for violation of this order; and
6. We order Skyscanner Limited to pay the penalty through Pay.gov to the account of the U.S. Treasury. Payments shall be made in accordance with the instructions contained in the Attachment to this order. Failure to pay the penalty as ordered shall subject Skyscanner Limited to the assessment of interest, penalty, and collection charges under the Debt Collection Act and to further enforcement action for failing to comply with this order.

This order will become a final order of the Department 10 days after its service date unless a timely petition for review is filed or the Department takes review on its own motion.

**BY:**

**BLANE A. WORKIE**  
**Acting Assistant General Counsel for**  
**Aviation Enforcement and Proceedings**

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