CAPA EXPLAINS

Money Flows in the Aviation Industry

AVIATION WEEK NETWORK

This paper has been written to help explain the historical money flows in the aviation industry and the significant changes in recent years designed by airlines to lower their overall distribution costs, ultimately increasing the burden (a.k.a. cost) to the end customer, whether that is the passenger or the corporation buying the ticket.

The paper will help explain how airlines are continuing their attempts to lower their distribution payments (a.k.a. cost) to intermediaries, and why such agents are concerned that these changes are putting them in a difficult position – one of not getting full access to competitive fares, and/or that "traditional" payments from GDSs and the airlines themselves are being reduced and are difficult to replace with higher transparent fees and charges to the customers of the agents, who are in turn the customers of the airline.

In effect, the changes in distribution strategy are leading to an overall increase in cost for the end customer in the intermediated channel.

Although airlines claim that they can serve customers more effectively on a direct basis, the inherent inefficiency of airline contact centres when human intervention is necessary has led to unacceptably long wait times for many customers. While the authors note that progress in automating manual processes is progressing, it is, in many instances, at a painfully slow rate.

People who have been in the industry for more than 20 years can remember a time when airlines:

- Used to pay agents up to 9% base commission on the revenue / ticket values that the agents sold on behalf of the airlines;
- Paid GDSs their 'rack rate', of which an increasingly significant percentage was then paid by the GDS to the booking agent;
- Paid agent's incentives on top of the standard base commission.

And at that time:

- Direct sales were insignificant, as airlines did not have a booking engine on their website; direct sales were through the airlines' own shops, their call centres and airport ticket desks.

Airlines have spent considerable time and effort over the past 20 years in attempts to offer customers efficient, direct booking solutions, while at the same time reducing their indirect distribution costs and ensuring that the money that they still spend on distribution works a lot harder than it did in the past.

This paper will first explain the money flows in the aviation industry and then highlight the actions that airlines have taken, in attempts either to reduce their total distribution costs or to spend the budget in different ways, and we highlight the effects and implications that this has on GDSs, agents and the end customer.

Money Flows from the perspective of the airlines:

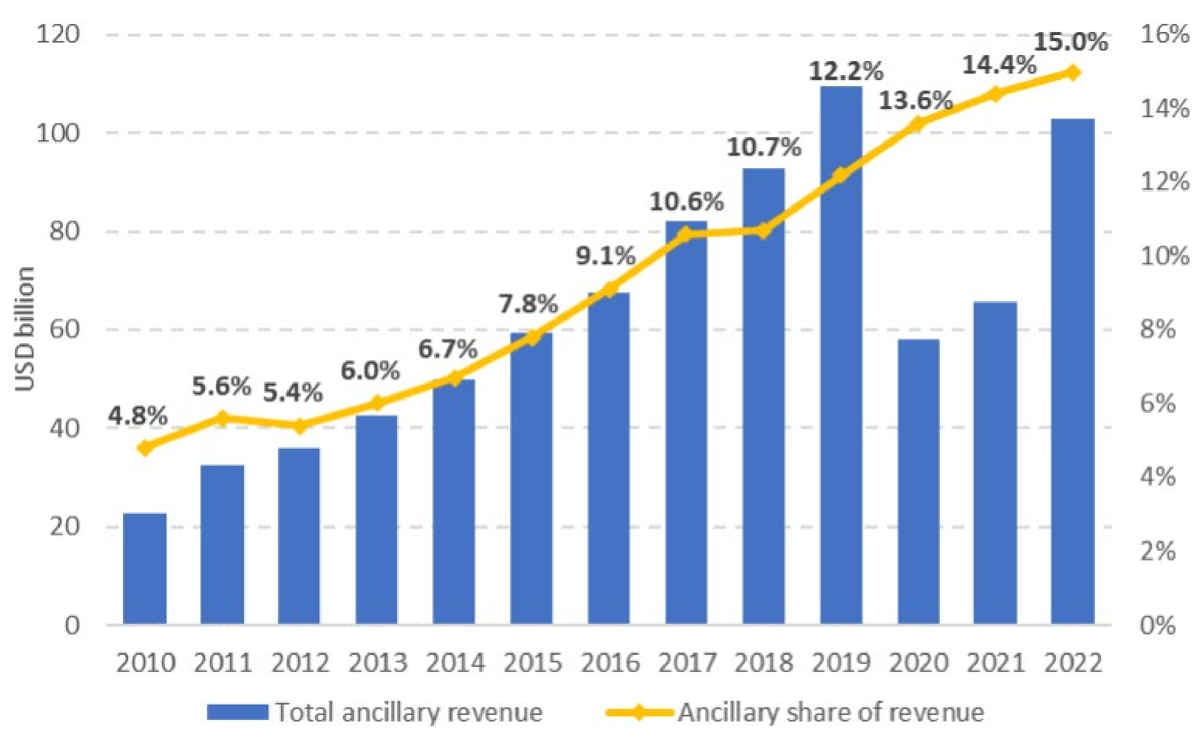
Airlines earn revenue from selling their content (a.k.a. tickets, and in recent years from selling “ancillaries”), which is either booked directly with the airline or through agents using a GDS or another technology provider.

Airlines pay GDSs a fee for inventory / content that is sold using the GDSs technology.

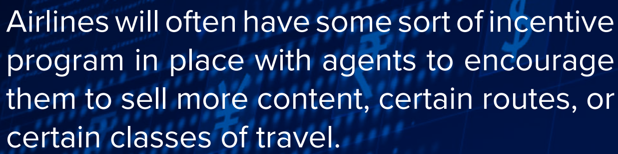
Airlines may pay new technology providers whose technology is used to sell an airline’s content, if there is any payment it would be at a much lower rate than that historically paid to a GDS.

Back in 2012 the airlines approached IATA for help in establishing the potential for new competitors to provide booking technology in competition with the cosy triumvirate of the 3 legacy GDSs – although those GDS were once born and owned themselves by the very airlines now attempting to disrupt them. Hence IATA’s NDC project was born both to modernise distribution technology, to enable a more visual appeal to selling processes, to begin and accelerate the sale of ancillaries both from unbundling services previously included in all fares – seats, bags and meals, and to drive change in the pricing and distribution model of the GDS.

Estimated global airline ancillary revenues 2010 to 2022



Source: CarTrawler & IdeaWorks.



Airlines will often have some sort of incentive program in place with agents to encourage them to sell more content, certain routes, or certain classes of travel.

Historically Airlines were unsophisticated in the design and structure of what value they paid to an agent to deliver added value to the airline.

For example, agents could have driven the success of airline automation and efficiency initiatives, such as the increased use of online check-in and elimination of paper boarding passes. Agents could have been rewarded for delivering higher than airline avg. rates of online check-in. Unfortunately, many airline incentive programs to agents were not aligned with strategic cost savings, or customer experience enhancement strategies.

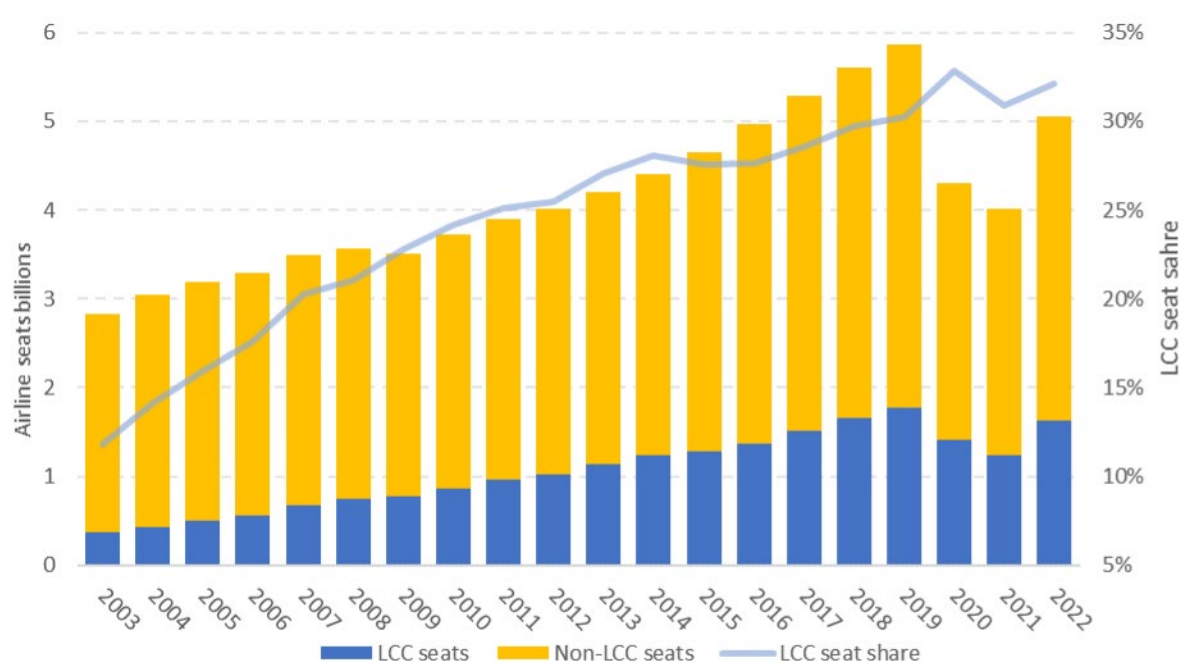
Many airline managers saw agents as “ticket clippers” who did little to earn their money.

Airlines tend not to pay corporates incentives, but they compete for their business with net fares, and in a post-NDC world they design corporate-specific fare bundles.

Money Flows from a GDS perspective:

- GDSs earn revenue from airlines by selling their inventory.
- Payments from airlines tend to be on a per sector basis, and vary (in amount per sector) by geographical region. Surprisingly, these sector payments do not normally differ for the class of travel sold, so an economy seat sold earns a GDS the same as a premium seat.
- GDSs pay agents for selling airline sectors; payments tend to be one fee per sector BUT do not vary by airline, route or class of travel sold.
- GDSs do not have a significant amount of LCC content to sell and where they do they tend to receive a much lower payment – which results in the agent not receiving any financial income from the GDS for selling a LCC segment.
- GDSs compete for an agent's business by offering better content, the superior functionality of their booking systems, and sector payments. While some agents will not agree, the overriding factor when an agent is deciding which GDS to choose tends to be the sector payment rate the GDS is offering. GDSs can compensate for inferior functionality by increasing their sector payments.
- If a GDS is trying to increase their market share in a country or region they tend to do this by increasing their sector payments to agents who are out for tender. This can be accompanied by offering a signing incentive in cash or as a technology fund credit.
- GDSs have a few direct deals with major corporates where they pay them to ensure their TMC (Travel Management Company) books their airline sectors using their GDS. Large TMCs have access to multiply GDSs, which makes these deals possible.
- The airlines who once owned the GDSs, sold them for profit around the turn of the millennium as stand-alone businesses to venture capital investors and IPO's. These same airlines then increasingly turned on their former GDS when the GDS decided that they no longer supported the commercial model of increasing sector booking fees on airlines, only for that revenue to be increasingly shared with the agents. Similarly, airlines grew frustrated with what they saw as outdated functionality and a lack of speed to market with new products and services, which would have enabled a better retail experience by agents and customers alike.
- The era of NDC was soon upon us, with new technology providers enabled and emboldened to help airlines with multiple goals – increasing direct to customer capability, enhancing the "retail" experience for the customers in the ecosystem, and breaking the historical pricing model between airline and GDS, and in turn GDS and agent.
- In turn, this new capability led to the creation of a "wholesale" model, where the agent negotiates a fee with the GDS for access to airline content and the airline pays the agent a fee plus any incentive payments for booking their sectors. To date, this model has not gained much traction in the industry.
- Today, the upshot of all the changes, and the rise of LCC vs. FSC airlines, has led to multiple technology companies in the distribution and booking process, with multiple commercial models. The implications of which mean that agents must integrate multiple technology partners to offer the end customer a full choice of available airlines and airfares – increasingly with higher costs due to the new models and multiple technologies not being fully offset with operational efficiencies. This leads to increased agency fees to customers, who in turn review their decisions on whether to make some or all of their bookings direct with the airlines, rather than via agents.

Global scheduled seats & LCC seat share 2003 to 2022



Source: CAPA – Centre for Aviation & OAG.

Money Flows from an Agent's perspective:

Agents earn money by selling airline content – as in most industries, 'size matters'; the more content an agent sells, the more they earn, and they can often command a higher rate.

Due to the financial model between GDSs and airlines, which tend to be sector based, agents are paid by GDSs for the number of sectors they sell. GDSs do not normally vary the amount of this sector payment by airline, even though GDSs will earn different fees from different airlines.

Airlines pay incentives to agents who sell a significant amount of revenue for the airline or who specialise in selling content that an airline wants to focus on, such as certain routes or certain classes. Some smaller agents will form consortiums to be able to present their joint revenue to airlines to help them qualify for incentives, which they would not qualify for on their own.

Agents often charge passengers for their booking services; some agents are transparent on their fees, whereas other are more opaque.

Corporate agents may or may not disclose the fees they receive from GDSs and/or incentives from airlines, which can then be considered when setting the fees for the services they will provide a corporate.

Over the past 20 years it is not that the historical money flows between Airlines, GDSs, Agents and Passengers have changed that much. It is the amount that has changed, and the effect that this has on the players in the aviation distribution chain.

Airlines have focused their efforts on reducing distribution costs on the GDSs and agents.

This has been achieved by reducing payments to both agents and GDSs, as well as a determined effort to grow direct sales. Airlines are also encouraging new technology partners to distribute their content to help reduce their sole reliance on GDSs for indirect sales. This has started a new phenomenon, which which we are calling ‘direct indirect sales’ – where a third party such as a TMC uses one of the new technology systems to book directly in the airline’s booking system. GDSs fees are in a honeymoon period as they benefit from more and more airlines reverting to paying their ‘rack rate’ until the growth of NDC sales become dominant.

- Historically, GDSs charged their 'rack rate' to airlines for distributing and enabling the sale of their content. They successfully protected these 'rack rates' until 2003, when major airlines managed to achieve significant discounts by threatening to surcharge their content and/or reducing the content that they distributed through the GDSs. Difficult contract negotiations resulted in a new model, where airlines received significant discount from the GDS 'rack rate' and the airlines agreed to distribute all their content unsurcharged through the GDS – these are known as "Full Content Agreements".
- Airlines have tried to continue to reduce their GDS fees at each round of contract negotiations, but have not been able to make any significant comparable reductions.
- Airlines paying lower GDS fees mean there is less money in the eco-system, which means either lower revenue for travel agents or GDSs, or both.
- As in most industries, size matters, and larger airlines have more negotiating power than smaller airlines. As such, they tend to have much lower GDS fees. Some of the smaller airlines are fortunate if they have negotiated their fees lower than 'rack rates'.
- Between 2003, with the introduction of GDS Full-Service Agreements, and around 2019 there were no significant developments in the airline/GDS relationships.
- IATA established their New Distribution Capability (NDC) programme in 2012, but it was not until 2019 that airlines started to leverage the capabilities of NDC distribution to challenge their commercial contracts with GDSs.
- NDC uses API technology to distribute airline content, which is then booked and ticketed in the airlines' systems – as opposed to booking and ticketing in the GDSs. This not only provides an airline with improved sales and distribution capabilities, but also commercially it provides an airline with the ability to distribute their content via the normal GDS technology (EDIFACT) or the new technology (NDC).
- Airlines have used the introduction of NDC to renegotiate their GDS contracts. Several different financial models are emerging, although they have the same goal of reducing GDS Fees and directing sales to the NDC channel with the intent of lowering overall costs of distribution and improved sales capability.
- Airlines have always been under pressure from agents to provide them access to the same fare levels and content that the airline sells on their own website. NDC provides the airlines with a second distribution channel, thus enabling the airlines to challenge their GDS contracts as they can enable agents to access all their fares and content while having the ability to surcharge, and even remove content, that is sold through the GDS EDIFACT system.
- Airlines are trying to negotiate significant discounts for NDC-distributed content, while the GDS fees for EDIFACT-distributed content revert back to "rack rates" as airlines refuse to commit to distributing all their content through this channel and impose surcharges on this content to offset the GDS fees.

Airline GDS surcharge rollout

Airline/Airline Group	Implementation date	Initial surcharge	Current surcharge(s)
Lufthansa Group	Sep-2015	EUR16	Amadeus: EUR17.50/CHF17.50/USD18.50/CAD23.50/GBP15 Sabre: EUR19.50/CHF19.50/USD20.50/CAD26.50/GBP16.50 Travelport: EUR23/CHF23/US24/CAD31/GBP19.50
Ukraine International Airlines	Apr-2017	USD9	USD9
IAG (British Airways, Iberia Airlines)	Nov-2017	GBP8/EUR9.50/ USD10	GBP13/EUR11/USD14
Air France-KLM Group	Apr-2018	EUR11	EUR13
Qantas	Aug-2019	USD12.50/AUD17.50	USD12.50/AUD17.50
Singapore Airlines	Jan-2021	USD12	USD12
Aegean Airlines	Jan-2021	EUR7	EUR7
Air Serbia	Mar-2021	EUR6	EUR6
Emirates	Jul-2021	USD14 to USD25	Travelport, Sabre and INFINI excluded from surcharges
Hawaiian Airlines	May-2022	USD7	USD7
Finnair	Jul-2022	EUR12	EUR12
Kenya Airways	Jul-22	USD5 domestic/ USD8 international	USD5 domestic/USD8 international
Copa Airlines	Sep-22	USD12	USD12

Source: CAPA – Centre for Aviation, via airline websites

Since 2019 IATA's NDC programme has started to have a more significant effect on the aviation industry and the airlines; strategies for distributing via Travel Agents and TMC's:

- Airlines desire to lower their overall distribution costs by either negotiating significantly lower fees or surcharging sectors that the GDS is charging at rack rate. In the short term, this can result in more revenue for the GDS until NDC sectors and content make up most of an airline's sales through 3rd parties. Travel Agents / TMC's suffer from either reduced GDS fees or having to sell uncompetitive surcharged fares. However, the airline may incentivise the Travel Agent / TMC via a short-term transition payment as a "reward" for switching channels to NDC. This is unlikely to fully compensate the Travel Agent / TMC, and is certainly not likely to be a permanent compensation!
- GDSs receive significantly lower revenue for NDC sectors.
- NDC technology allows Travel Agents / TMC's to connect directly to an airline to access their content and not use the GDS.
- GDSs face increasing competition as new(er) technology companies' access, aggregate and distribute NDC content.
- Most airlines, when launching their NDC/ new distribution strategy have introduced surcharges or fees if a Travel Agent/TMC continues to book an airline's content via the GDS's EDIFACT channel. This disadvantages the travel agent and their customers.
- Surcharged content means the airline pays the GDS their rack rate. This increases the GDS sector revenue, GDSs pay the agent their agreed sector payments, and airlines more than cover their increased costs with the surcharge, which is paid for by the travelling passenger (end customer).

However, here is the decision for the "end customer", or in the case of corporate travel, the traveller's company: is the customer prepared to pay the premium to continue to book via a Travel Agent or TMC? Does there come a point that for certain profiles of bookings the customer books direct with the airline, or forces their Travel Agent to access NDC content and fares?

- It would appear in a post-COVID world that corporations are increasingly reviewing if they should consume certain elements of their programs on a supplier-direct basis, vs. a 100% via a TMC approach. New technology supplier capability and new supplier (airline) contracting models enable that to happen.
    - There remain gaps such as how to service IROPS transactions, those affected by delays, cancellations and require manual customer service support. In theory, new technology capability should reduce, potentially significantly, the customer dissatisfaction from contact centre delays and inefficiencies when "direct to supplier" transactions require human support.

There has always been an often-obsessive focus for airlines to reduce their distribution costs, increase direct sales and reduce their reliance on GDSs.

Many strategies have been flawed.

- Airlines have long wanted to move from a legacy GDS economic model, as well as improving the visual display of their content and to present the offer in a graphical manner. NDC and the advent of new technology companies have moved this forward.
- Airlines disliked the GDS model, where a proportion (increasingly 35%-50%) of the fees the airline pays the GDS is then shared with the Travel Agent / TMC. The airlines understandably want to shift to a wholesale model, lowering their GDS-related distribution costs and enabling them to incentivise the Travel Agent & TMC directly, in more modern commercial agreements, where the incentives align with value delivered vs. “ticket clipping”.
- The theory being that, net, the airline would lower its overall distribution costs. As NDC is moving to scale, the largest airlines and those with “first-mover advantage” have seen their overall net cost of distribution reduce.
- The reduction in the cost to the airline means there is a reduction overall per transaction in revenue received by the GDS from the airline – and a knock-on effect that there is less revenue to share with the Travel Agent / TMC community.
- Further, most airlines that have NDC content have introduced surcharges that penalise the Travel Agent / TMC if they continue to use the GDS to access and book non-NDC content. It is a matter of angst in the ecosystem that these surcharges are greater than the cost of the GDS fees to the airlines.
- Now that not all content cannot be accessed via the GDS channel without some form of disincentive in the form of a surcharge, this has led to inefficiency and higher costs to deliver a full range of airfares (a.k.a. content) to the clients of TMC’s and the customers of Travel Agents. Travel Agents and TMC’s have had to introduce additional content sources – technologies and providers into their search, offer, book, and pay processes to maintain a full content aggregation capability previously provided by the legacy GDS.
- In economic terms, the net effect on the legacy Travel Agent / TMC is less revenue per transaction, and arguably higher cost because of the hiatus caused by the new distribution strategies of the airlines and the new aggregation companies.
- Ultimately, the legacy Travel Agent / TMC community must decide its future pricing strategy at a time when the industry is struggling through the aftermath of the pandemic, and at a time when new competitors are emerging.

The impact on the Travel Agent / TMC:

- Less revenue and higher cost for the legacy Travel Agent / TMC.
- The emergence of New Generation TMC's such as Navan (formerly TripActions), TravelPerk, Spotnana etc. who have more efficient / lower-cost platforms that are not reliant on, or built around, the legacy EDIFACT GDS.
- A decision on client/customer pricing changes for legacy Travel Agent & TMC's to offset the loss of GDS revenue/increase in costs is not an easy one to make, as new generation competitors gain scale in the markets.
- A somewhat unpalatable option is not to pass on the impact to the client/customer, but to live with a lower margin per transaction.
- The risk in increasing client & customer fees is that it will test whether those customers value the role of the TMC / Travel Agent sufficiently to pay the higher fees, or to switch to a direct-from-airline purchasing model.

> “*There was strong momentum toward NDC across the entire value chain before COVID-19. Since then, many airlines, technology providers, and travel sellers have intensified this drive and maintained retailing as part of their core strategic priorities.*” (21-Apr-2021)
>
> **- IATA director distribution, Yanik Hoyles**

The implications on the end customer – the corporate and the individual traveller:

Ultimately, it appears likely that the end customer will pay more if they choose to retain the services of a legacy Travel Agent / TMC. They may be able to pay less by considering a move to a New Generation TMC provider or a hybrid of an airline that partners with a New Gen TMC for direct economics of booking technology with a primary airline / airline or group, and only purchasing select services (e.g. data consolidation, duty of care from the New Gen TMC), with full service TMC for non-primary airline transactions e.g.
- Lufthansa Group and Navan (formerly TripActions)
- American Airlines and Spotnana

The legacy Travel Agent / TMC is a source that offers the choice of ALL airlines, rather than the services of single individual airlines. In countries where there is a dominant local airline, the option of direct purchase may be more attractive than in markets where there is lots of airline competition and the aggregator/source of choice and comparison shopping means the role of the Travel Agent / TMC has greater value.

However, the role of metasearch and OTA in leisure and the new generation TMC's may mean a significant shift in client/ customer booking behaviour.

1. The winner is the airline, they achieve lower distribution costs and improved sales capabilities. They may also see an increase in direct vs. indirect share.
2. The GDS is a loser.
3. The legacy Travel Agent and TMC are losers.
4. The new generation TMC's are likely winners.
5. The client (corporate) and customer (leisure) are likely losers via higher fees and possibly higher airfares if their agent / TMC continues with the surcharged GDS content, or they have the pain and cost of change of TMC or booking methodology, or they re-create their travel programme into a newly designed "hybrid model".

Recent airline announcements around changes in distribution strategy that relate to the legacy Edifact GDS content, and a shift to NDC based technologies have reawakened concerns of travel managers around the implications of these changes.

Finnair announced some time ago that intra-Finland content would not be available in legacy Edifact GDS channels from 01-May-2023, and more recently that it would cease distributing all content via Edifact GDS channels by the end of 2025.

In another move, American announced that from 01-Apr-2023 agents / TMC's will need to access the airlines NDC technology to obtain 100% of American content and fares for customers.

Without this NDC connection, American estimates that agencies will lose access to "over 40% of fares available today via third-party legacy technology channels."

The term "continuous pricing" has also become commonplace, and whether that is of benefit or penalty to the end customer remains to be seen. Previously, the legacy Edifact GDS channel had a limited number of price points that can be provided, meaning a fare once unavailable can jump significantly – e.g. a USD300 fare, the next price point may be USD375. With continuous pricing an airline can increase its fares in very small increments – perhaps USD10 per fare change. This could be a "you win some, you lose some" scenario for customers and it remains to be seen what the overall average impact will be on a corporate travel program for example.

What is clear from announcements from certain agents / TMC's is that they will charge a higher, or additional transaction fee if booking an NDC transaction outside the legacy Edifact GDS system and process.

A further complexity is online transactions in corporate travel, using a TMC or corporate online booking tool (OBT). There are concerns that some will not be ready by the 01-Apr-2023 deadline laid down by American.

Why this should be a major issue after 10 years of the NDC project beggars' belief, perhaps it is only now the major US carriers have announced this strategic change of distribution strategy is it being taken seriously by the OBT's and their TMC's. Many of these OBT's and TMC's will rightly claim they are ready and have the capability, but are there new or increased transaction fees associated with these solutions? This is a question for which we recommend Travel Buyers understand the financial implications to their total cost of program.

> *Will TMCs & OBTs Be Ready for NDC by April 1?*
> *Not a Chance, But Buyers Should Apply Pressure Anyway*
>
> 27-Jan-2023
>
> **- Steve Reynolds, Founder & CEO, Tripbam**

About the authors

Ian Heywood
Proprietor
IH Consultancy

Ian is currently working as a consultant assisting airlines and technology companies who are looking to improve their sales and distribution competencies whilst lowering their costs by utilizing IATA's NDC capabilities. Ian's considerable aviation industry experience with changing business models and his proven sales and distribution expertise is ideally suited to these turbulent Covid times.

Ian recently left Travelport where he led the New Distribution team responsibility for the company's NDC program. Another, key project was the launch of the Travelport Merchandising Suite with 'Aggregated Shopping' 'Ancillary Services' and 'Rich Content and Branding' which enables airlines to adapt their business models to whichever competitive/economic environment they operate in and for travel agents to access enhanced airline content in their normal workflow.

Prior to Travelport, Ian spent the majority of his working life at British Airways, where he joined as a management apprentice and held a number of commercial roles in the UK and overseas including Head of UK Corporate Sales and Head of UK Leisure Sales. He has also worked for Qatar Airways as SVP Global Sales and Distribution as well as several other airlines on a consultancy basis.

Martin Warner
Principal
MW Travel Consultancy

Martin Warner has over 35 years expertise & leadership in Travel Distribution. He is Principal at MW Travel Consultancy Limited providing advisory services to the travel and associated industries, a global business that develops ideas and provides to solutions to opportunities across travel and related industries. His recent engagements have included GDS, Airlines, Alliances, TMC's, and in Payments (relative to travel). He is especially focused on advising on strategies and solutions in the evolving Distribution Strategy & Payments initiatives for aviation currently being driven by IATA and its airline members. IATA's NDC implications and New Payments initiatives in travel (IATA TiP and NGISS) programs have implications and imperatives for Principals; Intermediaries; Suppliers and end Customers (Corporate & Consumer) across the Travel & Payments supply chain.

Formerly Executive Vice President, Market Strategy & Segmentation at Carlson Wagonlit Travel (CWT) a global leader specializing in business travel management, responsible for devising and implementing the Marketing & Commercial Strategy, focused on creating value-based travel management solutions for corporate customers, whilst improving profitability for the firm.

From 2008 to 2011 Martin was COO, Asia Pacific at CWT with responsibility for all Asia Pacific Operations of the business. He served as a member of CWT's Executive Team for 10 years, reporting to Group CEO. He served in non-Executive board positions in the companies Jt-Ventures in China, Japan, India, Indonesia & South Africa, and Executive board member of subsidiaries in Australia, New Zealand, Singapore and Hong Kong.

From 2003 led CWT's Global Accounts business unit as EVP, responsible for the companies top 100 multinational client business, a US$4Bn top line business unit. His responsibilities included global functions of Sales, Client Management & Retention, Marketing and the firms Consultancy business line.

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4. Overdue Invoices may (a) incur a reasonable fee determined by CAPA for any overdue balance; (b)

1. The Customer's access to CAPA Products may in CAPA's entire discretion be suspended or terminated; and (c) future renewals may be brought forward or payment terms reduced.

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2. **New Products, Changes & Discontinuation**
    1. CAPA databases and other products are constantly being updated, potentially resulting in changes to the nature of the Product delivered. For this reason and for example, where legislation in any relevant jurisdiction requires amendment of the Product:
        1. CAPA may introduce, update, suspend or remove CAPA Products from time to time, without notice
        2. If a CAPA Product is removed, CAPA may in its discretion choose to offer The Customer a refund of the unused portion or make an alternate product available.
3. **Availability**

    1. CAPA will take all reasonable endeavours to ensure that all CAPA Products are available to The Customer and its Licenced Users excluding downtime for regular or emergency maintenance which shall be kept to a minimum.
4. **Use**

    1. While every effort has been taken to ensure that all CAPA Products are free from viruses, no warranties are given that they are free from viruses and The Customer is responsible for ensuring that it has installed adequate virus checking software.

6. Terms

1. **Suspension & Termination**

    1. Except to the extent stated otherwise in an Order Form, each Order Form shall renew automatically for further periods of the term state in the Order Form (and if no term is stated then a period of twelve (12) months) unless either party provides the other party with no fewer than sixty (60) calendar days' notice in advance of the expiry to cancel the renewal.
    2. Without prejudice CAPA may suspend or terminate The Customer's access to any CAPA Product immediately without compensation if: (a) The Customer is in breach of these Terms; (b) The Customer fails to make payment for any CAPA Products on the Order Form by the due date; (c) The Customer becomes insolvent or bankrupt.

2. **Consequences of Termination**

    1. On expiry, termination or cancellation for any reason, The Customer and all Licenced Users shall immediately cease using all CAPA Products and shall delete any downloaded materials and destroy any print copies of CAPA Products.
    2. This excludes any CAPA Products which The Customer is required to retain for legal or regulatory purposes, including the rules of a professional body. In each case only the CAPA Products legally required to be retained are permitted to be retained, and all other Terms must be abided by for the retained CAPA Products
    3. Where 6.3.2 applies, The Customer will notify CAPA of any materials so retained.

7. Warranties & limitations

1. While every effort has been taken to ensure the accuracy of the information provide by CAPA and its employees in these pages, the contents of the site may reflect the opinions of the writers, they are personal to them and are naturally subject to change from time to time. It is The Customer's responsibility to check the accuracy of relevant facts and opinions given on the site before entering into any commitment based upon them.
2. CAPA cannot guarantee that The Customer's use of the site will be free from error and/or uninterrupted. CAPA, its directors, its employees and its representatives exclude, in so far as it is legally possible, all liability and responsibility for any damages including, but not limited to, indirect or consequential damages, damages for loss of opportunity or change, or any damages whatsoever arising from use or loss of use, data, or profits, whether in action of contract, negligence or other tortious action, arising out of, or in connection with, any information on the site or any other internet sites or use thereof.
3. While CAPA and its employees, and any other contributor to CAPA Products have used reasonable efforts to ensure that the information contained within The Products are correct and current at the time of its publication, it is The Customer's responsibility to confirm its accuracy, reliability, suitability, currency and completeness for use for The Customer's purpose. To the extent permitted by law, CAPA excludes all conditions, warranties, guarantees, terms and obligations expressed, implied or imposed by law or otherwise relating to the information contained within the CAPA Products, or The Customer's use of it and will have no liability to The Customer, however arising and under any cause of action or theory of liability, in regard to any loss or damage (including indirect, special or consequential loss or damage, loss of profit or loss of business opportunity), arising out of or in connection with any CAPA Products or their use.
4. Some CAPA Products include links to external websites. CAPA is not responsible for the content or security of these sites and disclaims all responsibility and liability in relation to information available on such sites accessed via CAPA Products.
5. On some CAPA Products The Customer may be given the opportunity to enter into an agreement