

Qantas: The Dying Kangaroo?

20 November 2024

It's been a long time since Australian's could hold their heads up high and be proud of what is meant to be our national carrier. Over the past few years, Qantas has been fraught with negative headlines, poor leadership and public scrutiny.

The negative press Qantas has received around recent court cases, including misleading customers by selling tickets to already cancelled flights, had the ACCC Chair Gina Cass-Gottlieb state that "Qantas' conduct was egregious and unacceptable".

In a recent report by James Harrison from Sky News (8 August 2024), Harrison states that "Qantas has been rocked by an array of scandals since the onset of the pandemic that tarnished the carrier's once sparkling reputation. The illegal sackings of 1,700 ground workers, selling 'ghost flights' and accusations of price gouging and anti-competitive behaviour sent the carriers image into a nosedive."

The report by Harrison also brought to light that former Qantas CEO Alan Joyce's executive bonus will be slashed by \$9.26 million (leaving him with \$14.3 million) and that Qantas attributed the cut to Mr Joyce's bonus to a litany of mistakes that "contributed to the Group's significant reputational and customer service issues,".

Whilst Qantas has taken action against the former CEO, and publicly recognised that the Group has suffered 'significant reputational and customer service issues', this does little to compensate the customers who have been heavily affected by incomprehensible service failures (outside of those compensated by the ACCC findings for Qantas' misleading and egregious behaviour around selling phantom flights).

To add insult to injury, there were many new promises made when the new CEO, Vanessa Hudson, took over the role including on 22 September 2023 in the Qantas Frequent Flyer Newsletter "My name is Vanessa Hudson and I'm the new CEO of the Qantas Group. We know that we've let our customers down and we've got some things wrong, and I want to say that we're sorry. I want you to know that we've heard you, and that we are working hard to rebuild your trust in us. In the short video message below, I share more information about the actions we're taking to once again be the national carrier Australians are proud of. We will get back to the Qantas you know and love, and my promise to you is that we'll work hard with the help of our amazing people to be even better. We'll keep listening to your feedback and I hope you continue to share your thoughts on what you'd like to see from us in the future as we commit to taking action in big and small ways."

These wide-ranging promises have definitely fallen short, as anyone can see by simply reading the multitude of complaints on the Australian Frequent Flyer website (<https://www.australianfrequentflyer.com.au>).

One complaint highlighting the egregious service levels experienced by Qantas customers comes from Ms Sonja Bella, a long-term customer, frequent flyer and also ex-employee of Qantas (having worked in Telesales back when the call centers were based in Australia). Ms Bella has provided some insight into just how horrendous the customer service failures within Qantas actually are, as well as the appalling response Qantas provided when a highly detailed chronological summary of her dealings with Qantas was provided to them via the Qantas complaints form.

Ms Bella's states that her detailed complaint letter "highlights a complete lack of knowledge and understanding by Qantas Telesales staff of how to manually calculate redemption ticket taxes resulting in miscalculated taxes and cancelled partner airline sectors." Furthermore, she highlights multiple occasions where both Telesales staff and their supervisors have advised incorrect fare rules, called her a liar and simply provided incorrect and inaccurate information.

Having to deal with inadequately trained and incompetent staff led to multiple flight cancellations, and over 30 hours on the phone to Qantas in order to finalise her One World redemption booking. Ms Bella states that "all of these scenarios caused me a great deal of stress and anxiety, compounded by the fact that this experience also occurred during 2021 and 2022 with other bookings; there just seems to be no end in sight of service which is going from bad to worse".

Ms Bella sent her comprehensive chronological summary of her dealings to Qantas, and requested a resolution which would enable her to make OneWorld redemption bookings without having to deal with the general Telesales staff. Ms Bella states 'I was appalled by the dismissive response and lack of concern about the level of repeated service failures which led to me spending over 30 hours on the phone to Qantas staff for just one OneWorld redemption booking'. Qantas' abysmal response was to offer Ms Bella a customer service gesture of a \$1500 travel voucher and someone from Qantas Executive Relations advising "I passed your comments regarding your interactions with our Contact Centre Consultants to relevant management for appropriate action and additional training."

It is clear that Qantas still has a long way to go with regards to improving customer service and the Frequent Flyer program. Which could make one wonder, surely if the previous CEO's bonus (before he was penalised) would have been over \$23 million, and which does not include his actual wage, how can the airline justify a frequent flyer program which continues to be fraught with negativity, as well as customer service failures which seem to be so unbelievable and frequent in nature? Surely the millions of dollars spent annually on bonuses could be better served by improving the airline? Ultimately a better bottom line from improved customer service and frequent flyer experiences would be better for everyone, not just lining the pockets of their CEO.

On 7 June 2024, Point Hacks spoke with Qantas CEO Vanessa Hudson and released an article with the following statement "Speaking more broadly, Hudson underscores the importance of points redemptions. An area 'we've been investing in – which is really important – is providing redemption access for our frequent flyers.' The goal is for members 'to be able to fly when they want, where they want in the cabin that they want."

Around the same time, Qantas started broadcasting the release of a new 'Classic Plus rewards program' where they added 20 million reward seats, however, at a closer look this is just a smoke and mirrors game where Qantas is charging more points for the same routes; it does not actually improve the existing Classic or One World redemption program.

So now it appears the hopes of change actually occurring, and not just being hot air, lie with Incoming Qantas Chairman John Mullen who Sky News has reported as saying "Mr Joyce's pay cut, along with sweeping reforms to customer metrics, employee engagement and stakeholder relations detailed in a governance report, was a sign of the airline steering itself in the right direction." Mr Mullen was reported to also state "It's important that the board understands what went wrong and learns from the mistakes of the past as it's clear that we let Australians down...as the national carrier it is our duty to make sure we always act in the best interest of stakeholders and hold ourselves to the highest level of accountability."

After reading Mr Mullen's statement on Sky News, Ms Bella reached out to Mr Mullen and states that she was "once again brushed off Qantas; this time by the Qantas Customer Advocacy Team (whose role is to review matters and respond on behalf of senior management and the Board of Directors) with an offer of 50,000 frequent flyer points and no care or concern with regards to the service failures experienced".

As the promises made by Qantas keep stacking up without clear signs of improvement, only time will tell if Qantas will once again regain customer confidence in the Flying Kangaroo, a national airline Australians can be proud of, or if it will continue on its current trajectory and end up becoming the Dying Kangaroo.

Contact:

For further information and/or a full copy of the complaint and supporting documentations, emails etc please contact:

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