



July to December
2025

Consumer Report

Civil Aviation Authority of Malaysia



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Executive Summary

The Civil Aviation Authority of Malaysia (CAAM) recorded a total of 4,922 consumer submissions in the second half of 2025 (2H2025), representing a decline from 5,876 cases in 1H2025, while remaining above 3,894 cases recorded in 2H2024. This reflects a moderation from peak volumes observed earlier in the year, although overall submission levels remain elevated relative to historical trends, indicating continued service-related concerns across the aviation sector.

Of the total submissions, 3,821 cases (78%) were complaints, with the majority falling within CAAM's regulatory jurisdiction. Across all submission types, 3,924 cases (80%) were classified as actionable, while within complaints specifically, 3,126 cases (82%) were actionable, indicating that most complaint cases met the criteria for regulatory assessment and intervention. The proportion of unactionable cases continues to highlight the need for clearer guidance to consumers on submission requirements and regulatory scope.

The complaint profile indicates that travel disruptions remain the primary driver of consumer dissatisfaction, with delays, cancellations and rescheduling accounting for 1,720 cases (57%) of total complaints. These operational issues are further compounded by post-disruption challenges, particularly in relation to refund processes and communication practices, which extend the impact of service disruptions beyond the travel event itself.

While all actionable complaints were resolved within the reporting period, achieving a 100% closure rate, the broader resolution landscape indicates that a significant proportion of cases required escalation to CAAM following initial engagement with service providers. This suggests that first-level complaint handling is not consistently effective, despite strong overall resolution outcomes at the regulatory level.

Importantly, consumer dissatisfaction is not primarily driven by delays in resolution, but by gaps in the clarity, consistency and transparency of handling processes. These include unclear information on refund eligibility and entitlements, inconsistent application of policies across similar cases, and variations in the provision of assistance during disruption events. Such inconsistencies contribute to uncertainty and reduce consumer confidence, even where resolution is ultimately achieved.

An integrated assessment of operational performance and complaint data indicates that service reliability continues to influence complaint trends, although the relationship is not uniform across all periods. Improvements in On-Time Performance (OTP) are generally associated with lower complaint volumes, while disruption events contribute to increased complaints. However, factors such as disruption management, communication practices and financial resolution processes also play a significant role in shaping overall consumer outcomes.

Regulatory oversight during the period was undertaken through a structured framework combining monitoring, engagement and enforcement. Complaint trends and operational indicators informed ongoing compliance assessment, while targeted engagement with service providers facilitated corrective actions. Enforcement measures were applied where necessary to address non-compliance and reinforce accountability across the sector.

Moving forward, CAAM will strengthen its regulatory approach by enhancing the integration of operational and consumer data, improving first-level complaint handling practices, and promoting greater consistency and transparency in service delivery. Emphasis will also be placed on adopting a more proactive and risk-based monitoring framework, enabling earlier identification of emerging issues and more targeted regulatory intervention to safeguard consumer interests.

Section 1: Consumer Cases Overview

Consumer submissions in 2H2025 reflect a moderation from the peak observed in the preceding period, while remaining above historical baseline levels. A total of 4,922 submissions were recorded, compared to 5,876 in 1H2025 and 3,894 in 2H2024. While volumes have declined from earlier highs, the sustained level of submissions indicates continued reliance on regulatory channels by consumers in addressing service-related concerns.

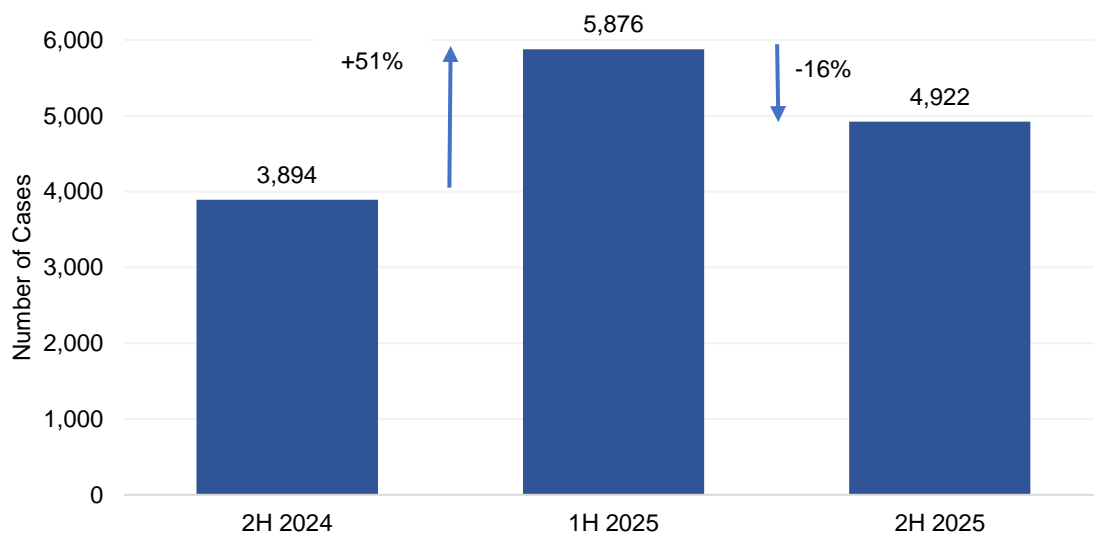
Consumer submissions comprise complaints, requests, enquiries and feedback. For the purpose of this report, actionable cases refer to all submissions within CAAM’s jurisdiction that contain sufficient information for assessment, while complaints represent a subset of submissions relating specifically to service failures or disputes.

Overall, the trend indicates a sharp increase between 2H2024 and 1H2025, followed by a partial moderation in 2H2025. This suggests some improvement in operational conditions, although submission volumes remain elevated relative to earlier periods, reflecting persistent service delivery challenges.

1.1 Total Consumer Submissions and Trend Comparison

Consumer submissions recorded in 2H2025 totalled 4,922 cases, representing a decline of 16% compared to 1H2025, while remaining 26% higher than 2H2024. This pattern indicates a transition from the elevated volumes observed earlier in the year towards a more stable level of consumer engagement, although submission levels continue to reflect sustained interaction with regulatory channels.

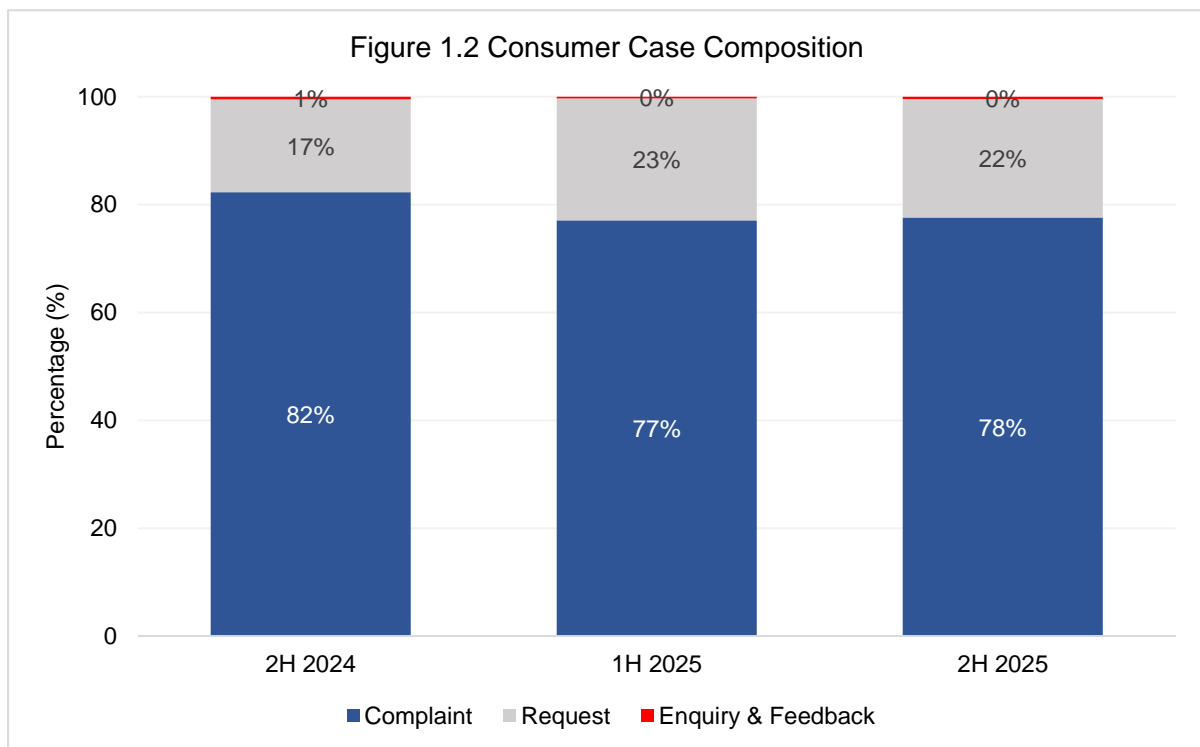
Figure 1.1 Total Consumer Submissions



1.2 Submission Types and Distribution

The composition of submissions in 2H2025 remains consistent with previous periods. Complaints accounted for 3,821 (78%) of total submissions, while requests comprised 1,081 (22%), with enquiries and feedback representing only a marginal share.

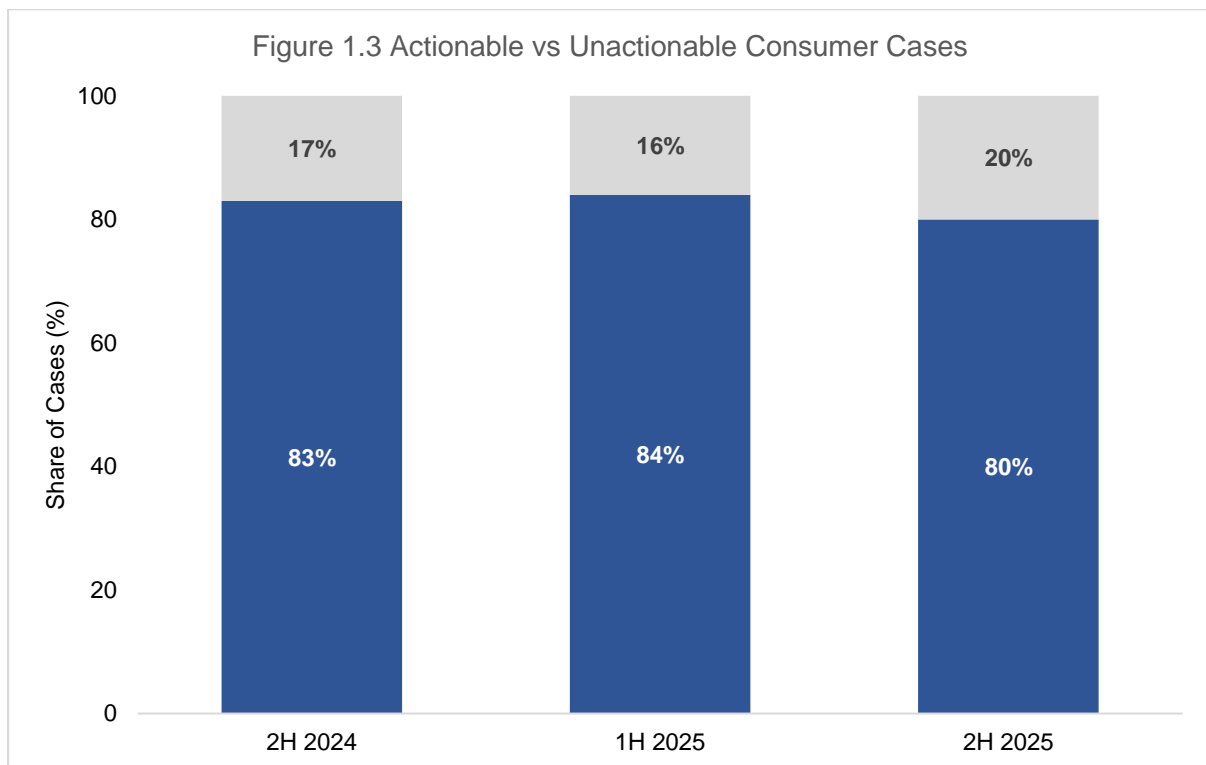
This distribution reflects that consumer engagement remains largely issue-driven, with most submissions relating to specific service concerns requiring regulatory intervention. The proportion of requests also suggests increasing reliance on CAAM's facilitative role in assisting consumers to resolve issues with service providers.



1.3 Actionable vs Unactionable Cases

Of the total submissions received, 3,924 cases (80%) were classified as actionable, while 998 cases (20%) were unactionable. Actionable cases include those within CAAM’s jurisdiction with sufficient documentation for assessment, while unactionable cases typically involve matters outside regulatory scope or submissions lacking the necessary information for further processing.

The proportion of unactionable cases indicates that gaps remain in consumer understanding of submission requirements and regulatory scope, which has implications for processing efficiency and resource allocation. Strengthening public guidance and improving clarity on complaint channels will be important in addressing this issue.



1.4 Key Consumer Trends Observed in 2H2025

The overall pattern of submissions in 2H2025 reflects sustained engagement with regulatory processes, driven primarily by service-related concerns. The dominance of complaints highlights the continued impact of service delivery issues on consumer behaviour, while the presence of unactionable cases indicates the need for improved clarity in consumer guidance.

At the same time, the increasing proportion of requests suggests that consumers are placing greater expectations on CAAM’s role in facilitating resolution and providing support. These trends underscore the importance of strengthening both industry service outcomes and consumer awareness of regulatory processes.

Table 1.1 – Summary of Key Consumer Trends and Regulatory Implications (2H2025)

Trend	Evidence (2H2025)	Regulatory implication
Complaints dominate submissions	Complaints accounted for 78% of total submissions	Consumer engagement remains largely reactive, driven by service disruptions and unresolved issues
Increase in requests for assistance	Requests accounted for 22% of submissions	Growing reliance on CAAM for facilitation, indicating gaps in first-level resolution by service providers
Rise in unactionable submissions	Unactionable cases accounted for 20% of total submissions	Indicates gaps in consumer understanding of regulatory scope and submission requirements, affecting processing efficiency
Elevated submission volumes	Total submissions remain higher than 2H2024 (4,922 vs 3,894)	Sustained demand for regulatory oversight, indicating persistent service delivery challenges

Section 2: Consumer Complaint Landscape

Complaints within CAAM’s jurisdiction continue to form the primary component of consumer submissions in 2H2025, reflecting CAAM’s central role in addressing service-related concerns across the aviation sector.

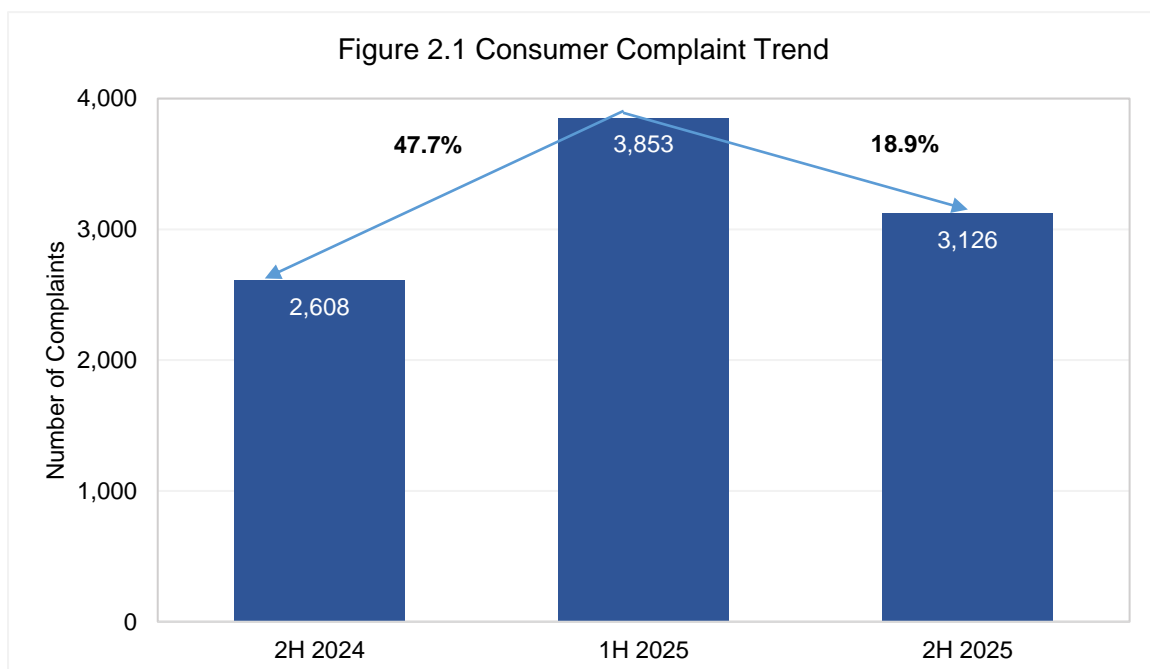
Building on the classification outlined in Section 1.3, this section focuses on actionable complaints, which fall within CAAM’s regulatory scope and warrant assessment and intervention. While overall complaint volumes have moderated compared to the preceding period, the distribution and characteristics of these complaints provide more meaningful insight into areas where consumer experience continues to be affected.

2.1 Overview Complaints Within CAAM Jurisdiction

The complaint profile in 2H2025 is characterised by a high concentration of cases within CAAM’s regulatory scope, with the majority relating to airline services. Of the 3,821 complaint cases received, 3,126 (82%) were classified as actionable.

Of these actionable complaints, 2,995 (96%) relate to Malaysian carriers, 93 cases (3%) to foreign carriers, and the remaining 38 cases (1%) to airport operators.

This distribution indicates that consumer concerns are predominantly linked to airline service delivery, particularly in areas relating to operational reliability and post-service handling. The concentration of complaints within Malaysian carriers reflects their operational scale and market share, while also highlighting the central role of airlines in shaping overall consumer experience.



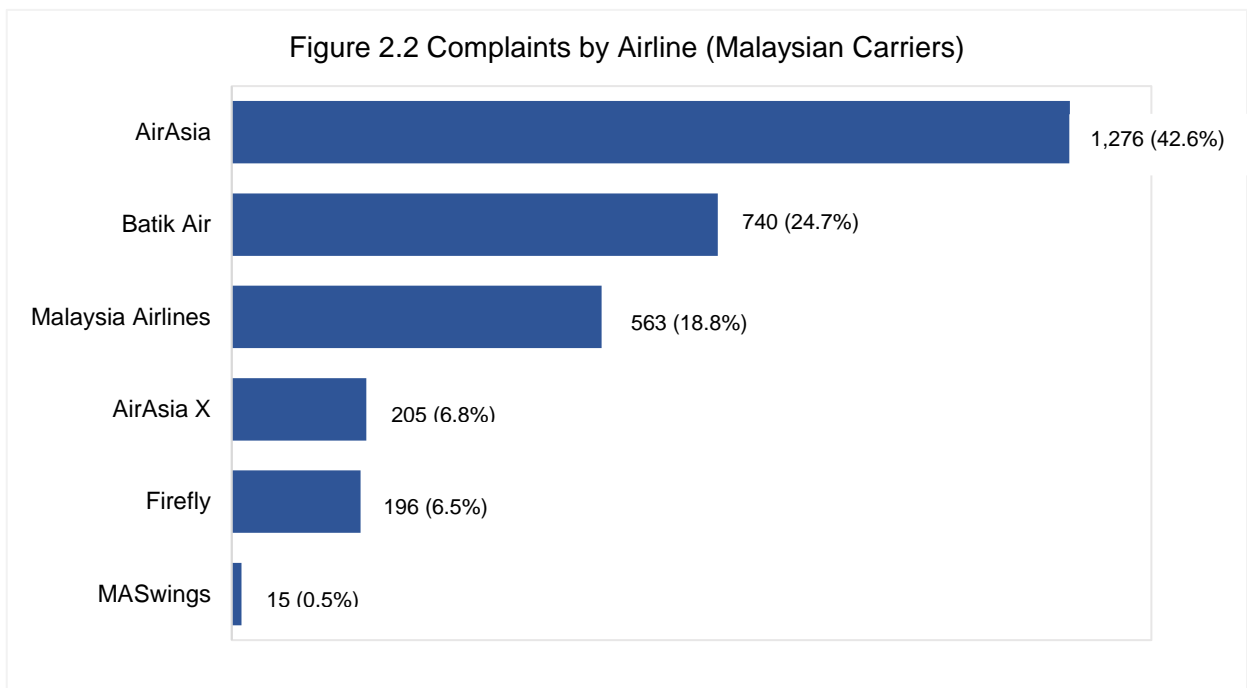
2.2 Airline-Related Complaints

Airline-related complaints account for the largest proportion of cases within CAAM’s jurisdiction, reflecting the end-to-end responsibility of carriers across the consumer journey. These complaints arise across multiple stages, including booking, pre-departure arrangements, travel disruptions and post-travel resolution processes.

2.2.1 Complaints by Airline

The distribution of complaints among Malaysian carriers shows a concentration among operators with larger network coverage and higher passenger volumes. AirAsia recorded the highest number of complaints, followed by Batik Air and Malaysia Airlines, while AirAsia X, Firefly and MASwings recorded comparatively lower volumes.

While this pattern broadly reflects operational scale, absolute complaint volumes should be interpreted alongside passenger volume, as they do not fully reflect service performance in isolation.



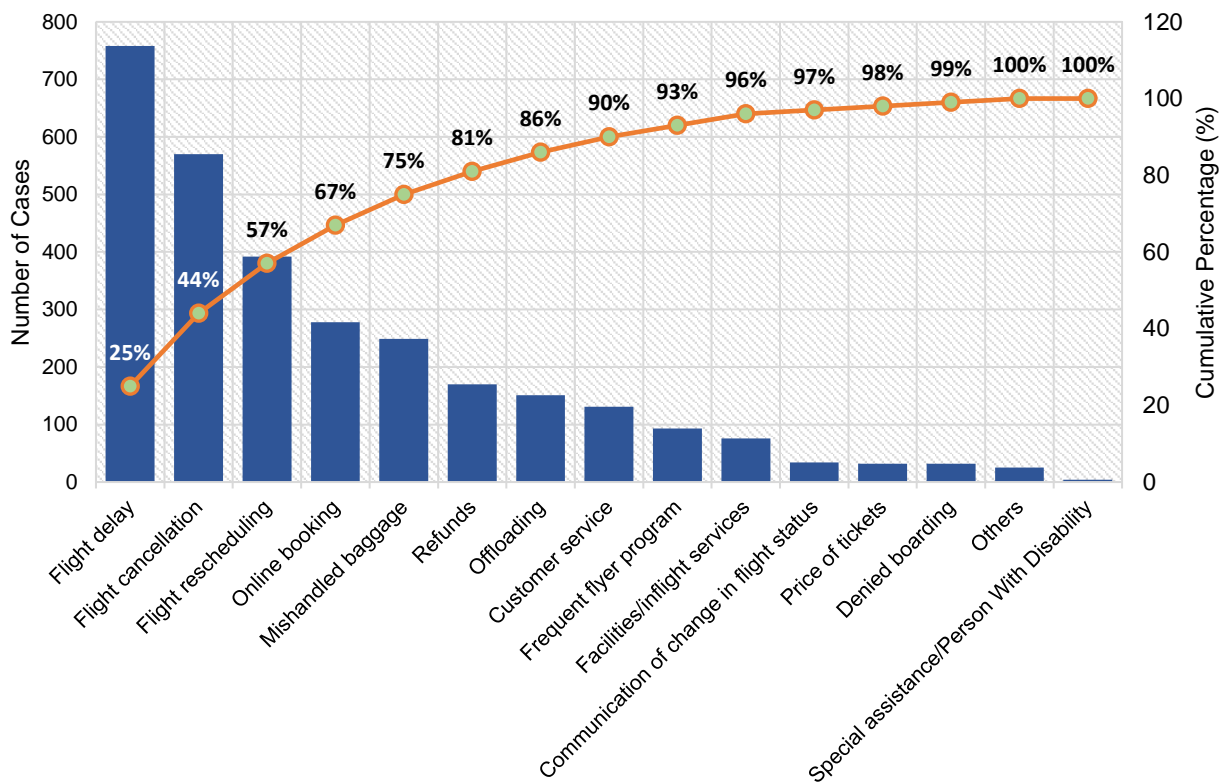
2.2.2 Top Complaint Categories

The categorisation of complaints indicates that flight disruptions remain the primary driver of consumer dissatisfaction. Complaints relating to flight delays (758), cancellations (570), and rescheduling (392) collectively account for 1,720 cases, representing 57% of total complaints.

When combined with other high-frequency categories, including online booking issues (278), mishandled baggage (249) and refund processes (170), these six categories account for approximately 81% of total complaints.

This concentration indicates that a relatively small number of operational and post-service factors drive the majority of consumer concerns, providing a clear basis for targeted regulatory focus and industry intervention.

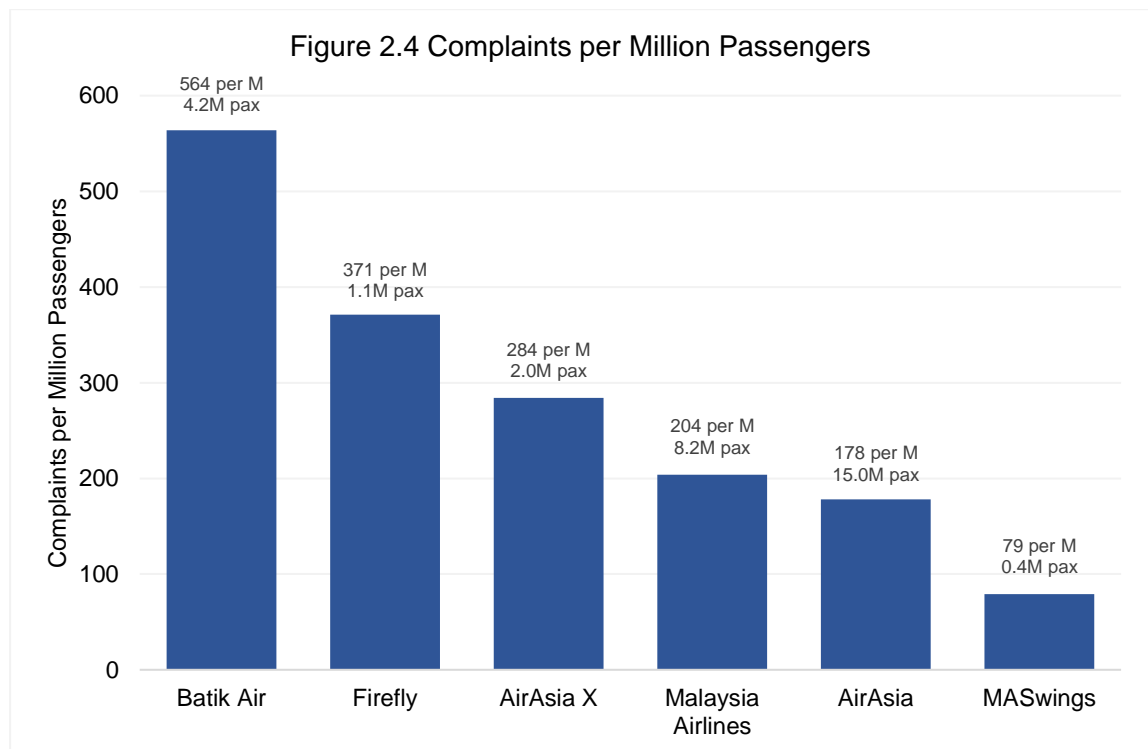
Figure 2.3 Complaints by Category



2.2.3 Complaints per Million Passengers

Assessing complaints relative to passenger volume provides a more balanced view of service performance across carriers. By normalising complaints against traffic volume, this metric highlights the level of consumer dissatisfaction relative to each airline’s operational scale.

Notably, Batik Air (564 per million passengers) and Firefly (371 per million passengers) record higher complaint ratios compared to larger operators such as AirAsia (178 per million passengers) and Malaysia Airlines (204 per million passengers). This indicates that complaint intensity varies across operators, and that passenger-adjusted metrics provide a more meaningful basis for assessing consumer impact and identifying areas of higher risk.

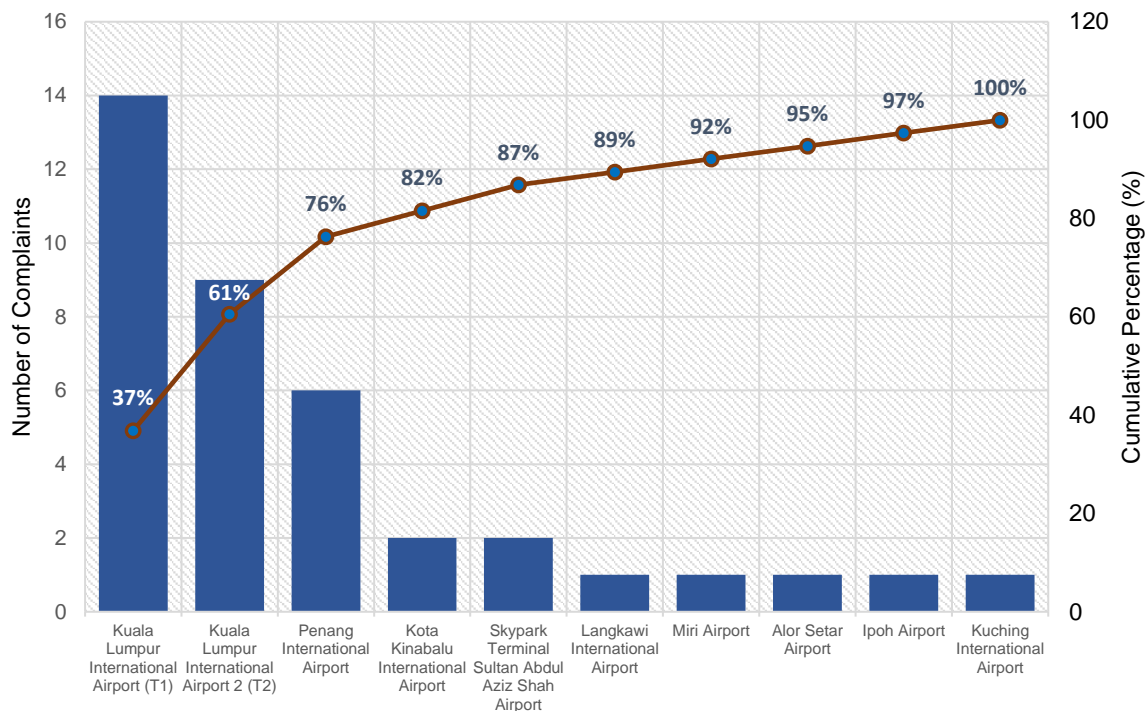


2.3 Airport-Related Complaints

Airport-related complaints remain low in volume, with 38 cases recorded, of which 61% are associated with Kuala Lumpur International Airport Terminal 1 and 2.

These complaints are primarily concentrated in areas such as facilities, security processes and passenger experience touchpoints. While the overall volume does not indicate systemic issues, the recurrence of similar concerns suggests that service consistency remains an area for improvement, particularly during periods of higher passenger traffic.

Figure 2.5 Complaints by Airports

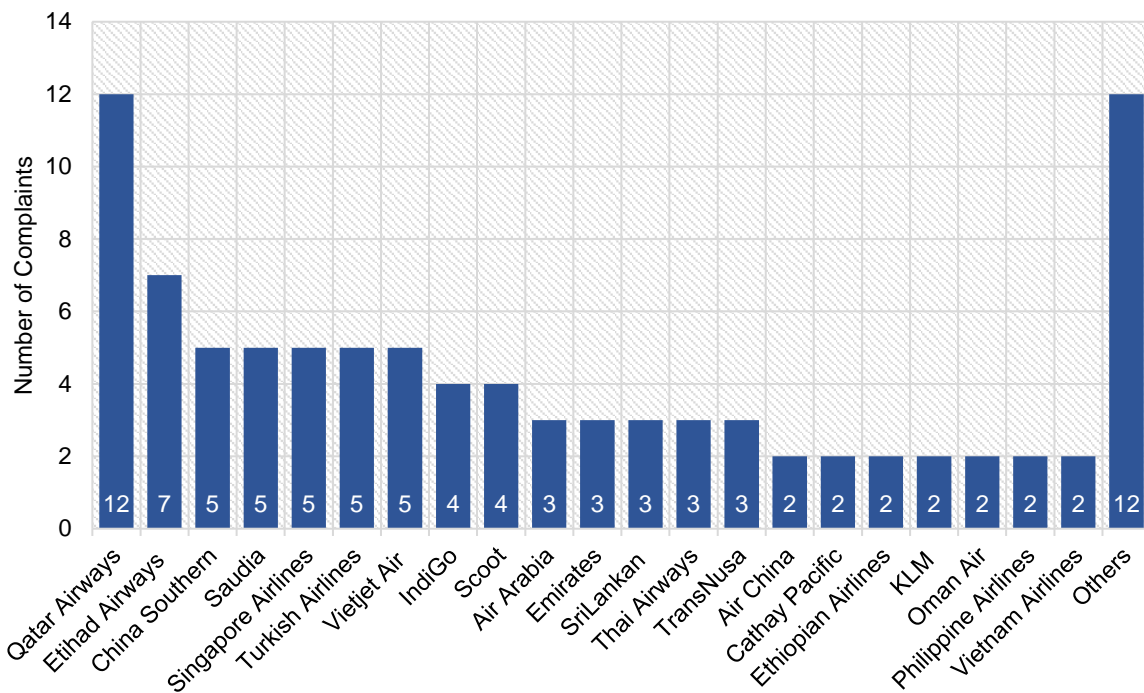


2.4 Complaints Involving Foreign Carriers

Complaints involving foreign carriers are relatively low in number and are distributed across multiple operators. These cases typically involve greater operational complexity, including cross-border coordination and differing regulatory environments, which may affect resolution timelines.

The distribution does not indicate concentration within any single operator but reflects the broader nature of international operations.

Figure 2.6 Complaints by Airline (Foreign Carriers)



2.5 Key Observations and Regulatory Implications

The complaint landscape in 2H2025 indicates that consumer dissatisfaction is primarily driven by operational reliability and disruption-related issues, supported by variations in complaint intensity across carriers when assessed relative to passenger volume.

While airport-related and foreign carrier complaints remain comparatively limited, they continue to affect specific stages of the consumer journey and require targeted monitoring.

These findings support a more risk-based approach to regulatory oversight, where monitoring and engagement are prioritised based on areas of highest consumer impact, particularly in disruption management, refund handling and service consistency.

Section 3: Consumer Impact Analysis

Consumer impact in 2H2025 is shaped not only by the occurrence of service disruptions, but by how effectively these events are managed and resolved from the consumer's perspective. While operational issues trigger the initial impact, the overall experience is influenced by the clarity of communication, consistency of service delivery, and effectiveness of post-disruption processes. Complaint patterns provide a structured view of how these factors interact to shape consumer outcomes.

3.1 Travel Disruption-Related Complaints

Travel disruptions remain the most significant source of consumer dissatisfaction, accounting for 57% of total complaint categories (1,720 cases).

Different types of disruptions affect consumers in distinct ways. Flight delays, due to their frequency, tend to impact a larger number of passengers and often result in cumulative inconvenience, particularly for time-sensitive or connecting journeys. Cancellations, while less frequent, have a more immediate and severe impact, requiring consumers to make alternative arrangements, often at short notice. Rescheduling introduces uncertainty where travel plans are altered in advance, affecting predictability and consumer planning.

This distinction indicates that consumer impact is driven not only by the volume of disruptions, but by their severity and manageability, reinforcing the importance of both operational reliability and effective disruption management.

3.2 Refund and Financial-Related Complaints

Complaints relating to refunds and financial matters represent a significant component of dissatisfaction arising from travel disruptions. Of the 1,720 disruption-related complaints, approximately 991 cases (58%) involve issues related to refunds, compensation or other financial obligations following delays, cancellations and rescheduling.

Key concerns include delays in refund processing, uncertainty in the application of eligibility criteria, and inconsistencies in outcomes across similar cases. Unlike operational disruptions, which are time-bound, financial issues often extend over a longer period, resulting in prolonged dissatisfaction and repeated follow-up by consumers.

The data indicates that dissatisfaction in this area is driven less by resolution timelines and more by lack of clarity and consistency in the application of policies and entitlements, which reduces consumer confidence in the resolution process.

3.3 Information Transparency and Communication Issues

Communication remains a critical factor in shaping consumer experience, particularly during disruption events. Of the 1,720 disruption-related complaints, approximately 687 cases (40%) involve communication-related issues and provision of care.

Key concerns include delayed or insufficient notification of flight changes, lack of timely updates during disruptions, and unclear information regarding available options and consumer entitlements. These communication gaps are often accompanied by inconsistencies in the provision of assistance, including meals, accommodation and support during extended delays.

The findings indicate that a substantial portion of dissatisfaction arises from how disruptions are managed, rather than the disruption itself, highlighting the importance of timely, accurate and consistent communication in reducing escalation and improving consumer outcomes.

3.4 Recurring Complaint Patterns and Monitoring Indicators

The repetition of similar complaint categories across reporting periods indicates that key issues are systemic rather than isolated. Patterns observed in disruption handling, refund processes and communication gaps provide useful indicators for monitoring service performance. These recurring themes provide reliable indicators for ongoing monitoring. These patterns support a shift from case-based assessment to trend-based and risk-based monitoring, enabling earlier identification of issues and more targeted regulatory intervention.

3.5 Key Observations and Consumer Impact Implications

The analysis of consumer outcomes in 2H2025 indicates that dissatisfaction is shaped by the combined effect of operational disruptions and post-disruption handling. The data shows that a significant portion of complaints relates to financial resolution and disruption handling, reflecting the broader impact of post-disruption processes on overall consumer experience.

These findings suggest that improvements in operational performance alone may not be sufficient to enhance consumer satisfaction. Persistent issues in financial outcomes and service delivery during disruptions continue to influence consumer perception, particularly where resolution is delayed or inconsistent.

Overall, the observations highlight the need for a more integrated approach to service reliability, combining operational performance with effective follow-through in financial resolution and disruption handling. Strengthening these areas will be critical in achieving more consistent consumer outcomes and improving overall service quality.

Section 4: Complaint Resolution and Industry Responsiveness

The resolution of complaints in 2H2025 reflects both CAAM’s case management effectiveness and the responsiveness of service providers. While all actionable complaints were resolved within the reporting period, the broader resolution landscape highlights differences in performance across stages of the complaint handling process.

4.1 Overall Complaint Closure Performance

A total of 3,126 complaint cases within CAAM’s jurisdiction were recorded in 2H2025, all of which were resolved within the reporting period. This resulted in a 100% closure rate with no outstanding backlog. The ability to achieve full resolution reflects the effectiveness of CAAM’s case management processes, including case tracking, follow-up mechanisms and coordination with service providers. It also indicates that once complaints are formally escalated to CAAM, they are consistently brought to closure within the system.

Figure 4.1 – Overall Case Closure Performance

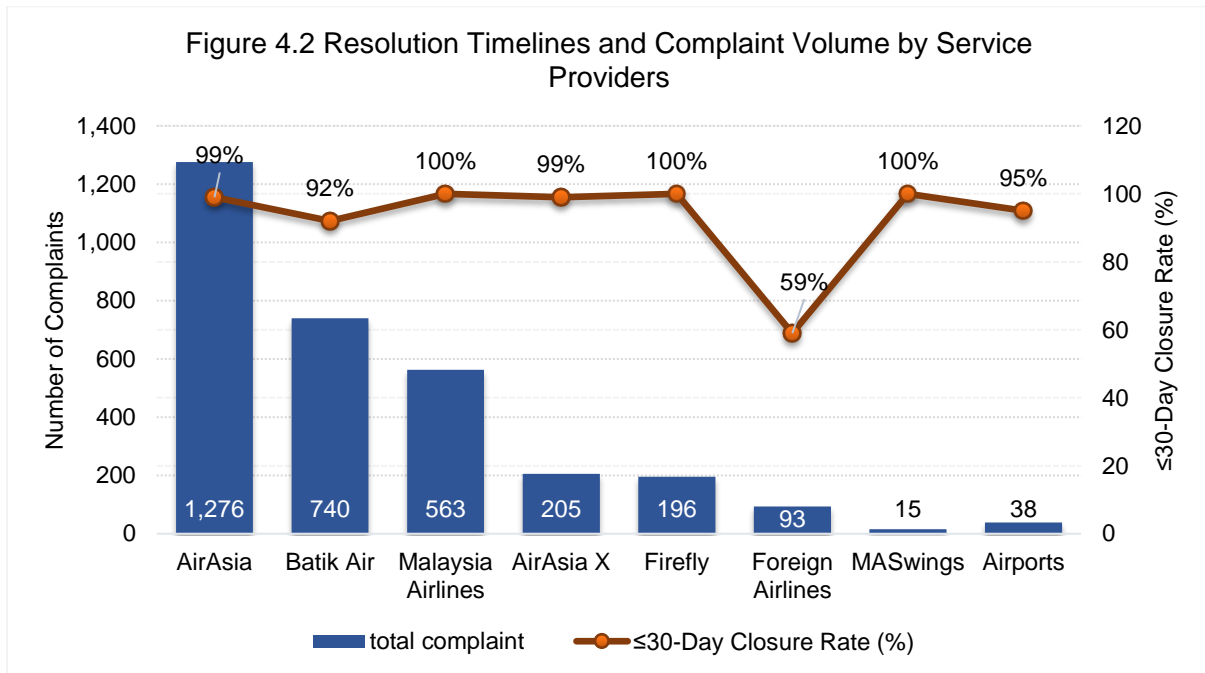
Total Actionable Complaints	Complaint Closed	Closure Rate	Outstanding Cases
3,126	3,126	100%	0

4.2 Resolution Timeliness

Most complaint cases were resolved within the stipulated timeframe of 30 days, indicating that service providers generally respond in a timely manner once cases are escalated through CAAM. Malaysian carriers and airport operators achieved above 90% closure rates within the 30-day timeframe, reflecting strong adherence to regulatory expectations.

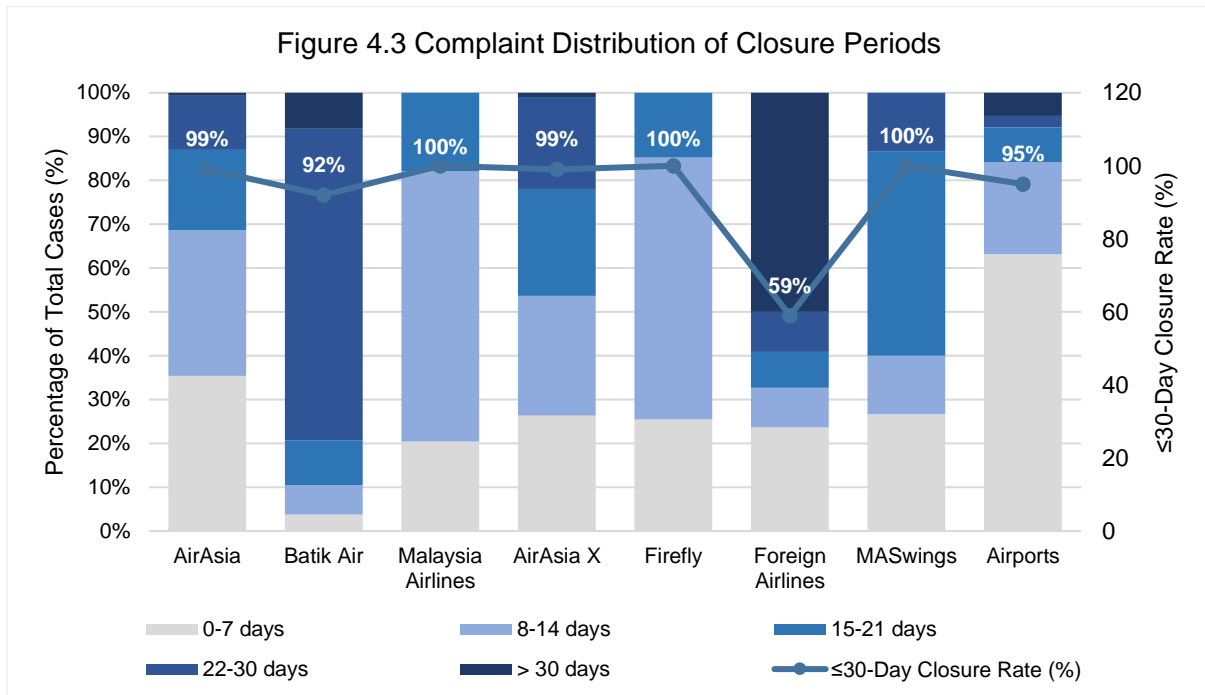
In contrast, foreign carriers recorded a lower closure rate of approximately 59% within the same timeframe, indicating differences in responsiveness and potential challenges in cross-border coordination.

While the majority of cases are resolved within expected timelines, variations in more complex cases highlight the need for greater consistency in response practices across all service providers.



4.3 Distribution of Closure Periods

The distribution of closure periods shows that a substantial proportion of cases are resolved within shorter timeframes following escalation. This reflects the role of regulatory involvement in facilitating engagement and expediting responses. At the same time, a smaller segment of cases requires extended processing time, often due to incomplete initial submissions or the need for further clarification. Although limited in number, these cases have a noticeable impact on consumer perception where delays are experienced.



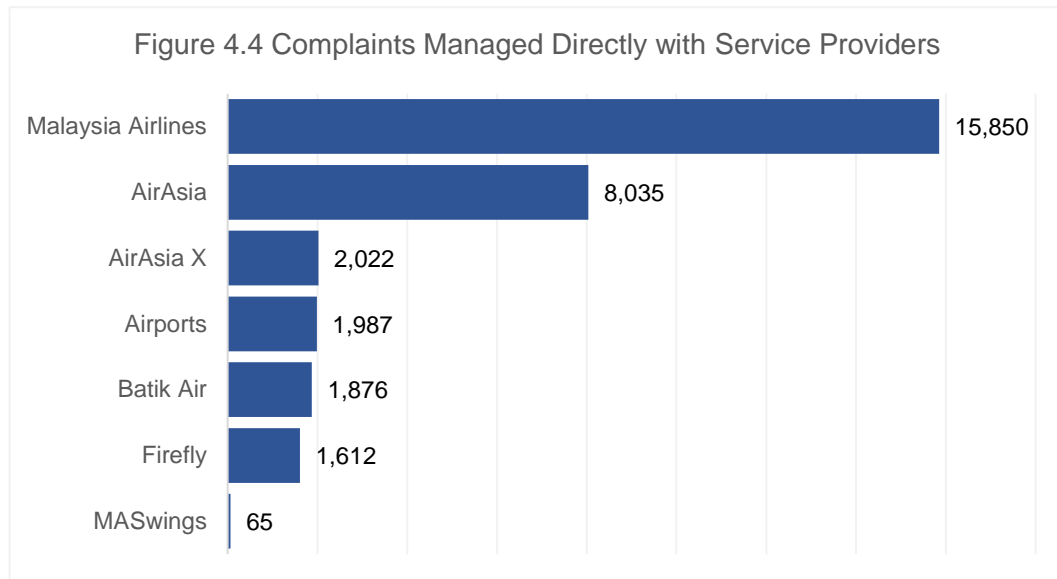
4.4 First-Level Complaint Handling and Industry Practices

First-level complaint handling remains a critical component of the overall consumer protection framework, as it represents the initial point of engagement between consumers and service providers. The effectiveness of this stage influences whether issues are resolved directly or escalated to CAAM for further intervention. An assessment of both the volume of complaints managed at source and the outcomes of these interactions provides insight into current industry practices.

4.4.1 Complaints Registered Directly with Service Providers

A substantial number of complaints continue to be handled directly by airlines and airport operators, reflecting the role of service providers as the primary point of contact for consumers experiencing service-related issues.

This reflects the presence of established internal mechanisms within the industry, which are essential for resolving issues at source. However, the volume of complaints managed at this level highlights the need for consistent standards in complaint handling practices across service providers.



4.4.2 Escalation to CAAM Following Initial Engagement

A significant proportion of cases received by CAAM involved consumers who had previously attempted to resolve their concerns directly with service providers. This indicates that, while initial engagement channels are being utilised, they do not consistently result in satisfactory outcomes. The escalation of these cases reflects challenges in areas such as response timeliness, clarity of communication and unsatisfactory resolution outcomes. Where issues remain unresolved after first-level engagement, regulatory intervention becomes necessary to facilitate closure. This pattern suggests that strengthening the quality of complaint handling at the initial stage would reduce reliance on escalation and improve overall system efficiency.

Figure 4.5 Consumer Engagement Pathway

Category	%
Approached airline first	53%
Direct to CAAM	47%

4.5 Key Observations and Regulatory Implications

The resolution outcomes in 2H2025 demonstrate that while CAAM's internal processes are effective in achieving closure, but the overall system continues to rely significantly on escalation to secure outcomes. Variations in response timelines and the volume of escalated cases indicate differences in how service providers manage complaints at source. Improving first-level complaint handling will be critical in reducing reliance on regulatory intervention, enhancing system efficiency and improving overall consumer satisfaction

Strengthening accountability at the service provider level will support a more balanced and effective complaint resolution ecosystem.

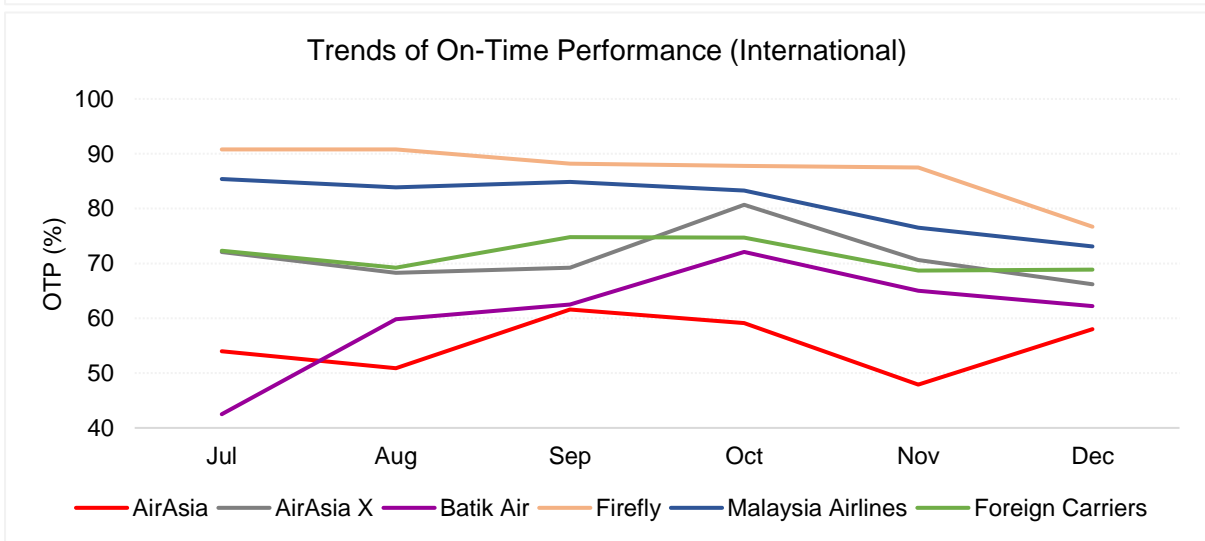
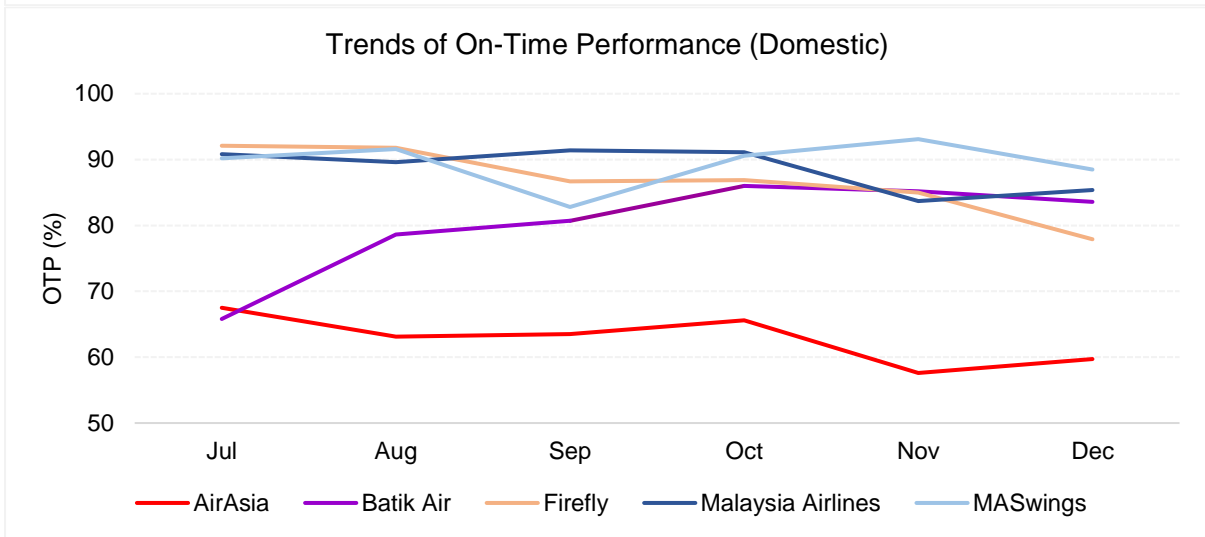
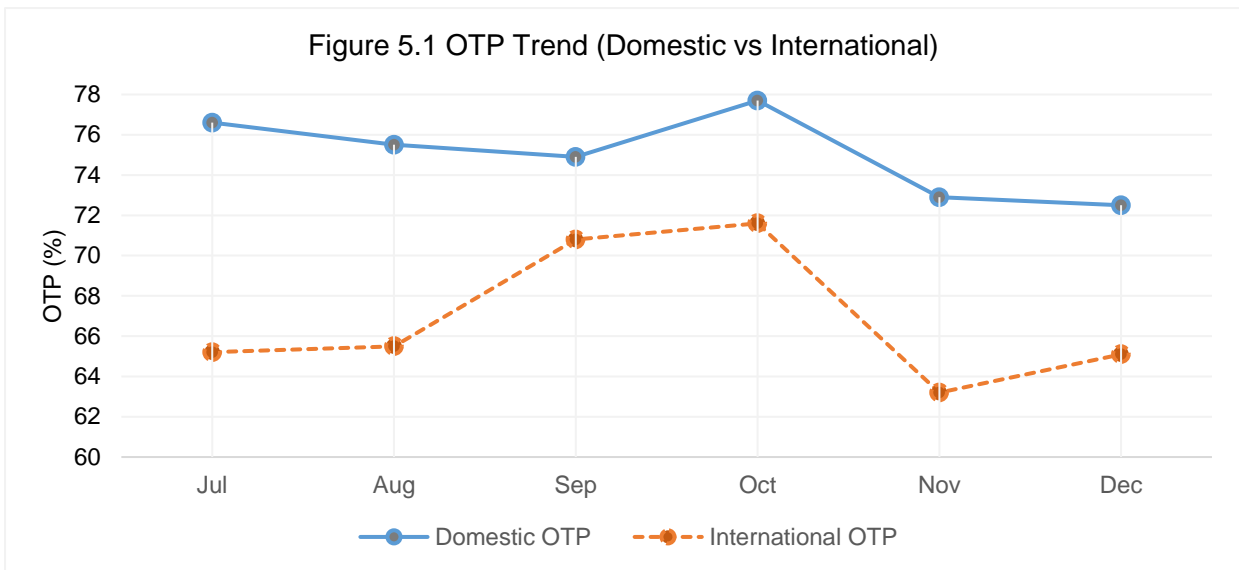
Section 5: Operational and Service Reliability

Operational performance provides critical context for interpreting consumer complaints, as it reflects the underlying conditions that influence service delivery across the aviation sector. While complaint data captures the outcome of consumer experience, operational indicators such as On-Time Performance (OTP) and cancellation rates provide insight into the factors contributing to these outcomes. An integrated assessment of these elements enables a more informed understanding of service performance and supports targeted regulatory oversight.

5.1 Airline Operational Reliability Overview

Airline operational reliability, as measured by On-Time Performance (OTP), remained uneven across the reporting period and, in many cases, below the established benchmark of **85%**. At the domestic level, performance varied significantly across carriers, ranging from as low as 58% to above 90%, indicating a clear gap between higher-performing and lower-performing operators. While carriers such as Malaysia Airlines, Firefly and MASwings generally maintained stronger domestic OTP performance, AirAsia remained consistently below target throughout the period, and Batik Air showed improvement before moderating towards year-end.

A similar pattern is observed in international operations, where OTP ranged more widely from 43% to 91%, reflecting greater volatility across carriers. Firefly maintained the strongest international OTP performance for most of the period, while Malaysia Airlines remained relatively stable but below its July starting point by year-end. In contrast, AirAsia, Batik Air and AirAsia X recorded lower and more variable performance, particularly in certain months. Overall, the data indicates that operational reliability was not uniform across operators, and sustained achievement of the 85% benchmark remained a challenge, particularly for international services and lower-performing carriers.

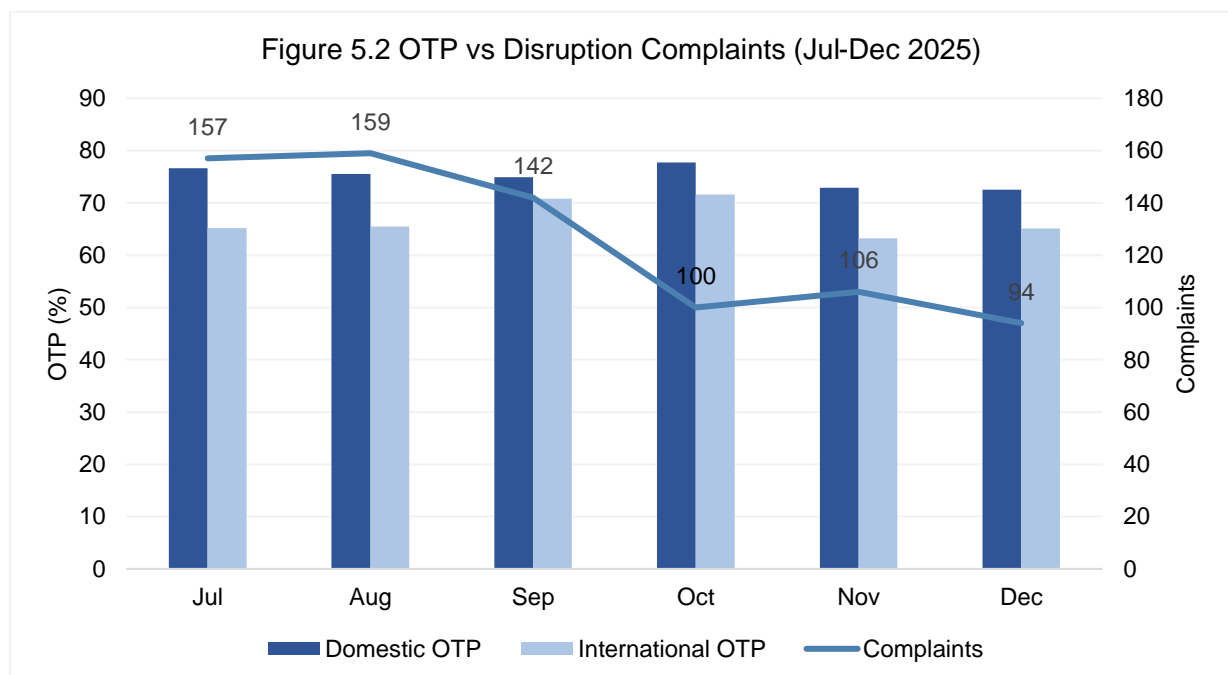


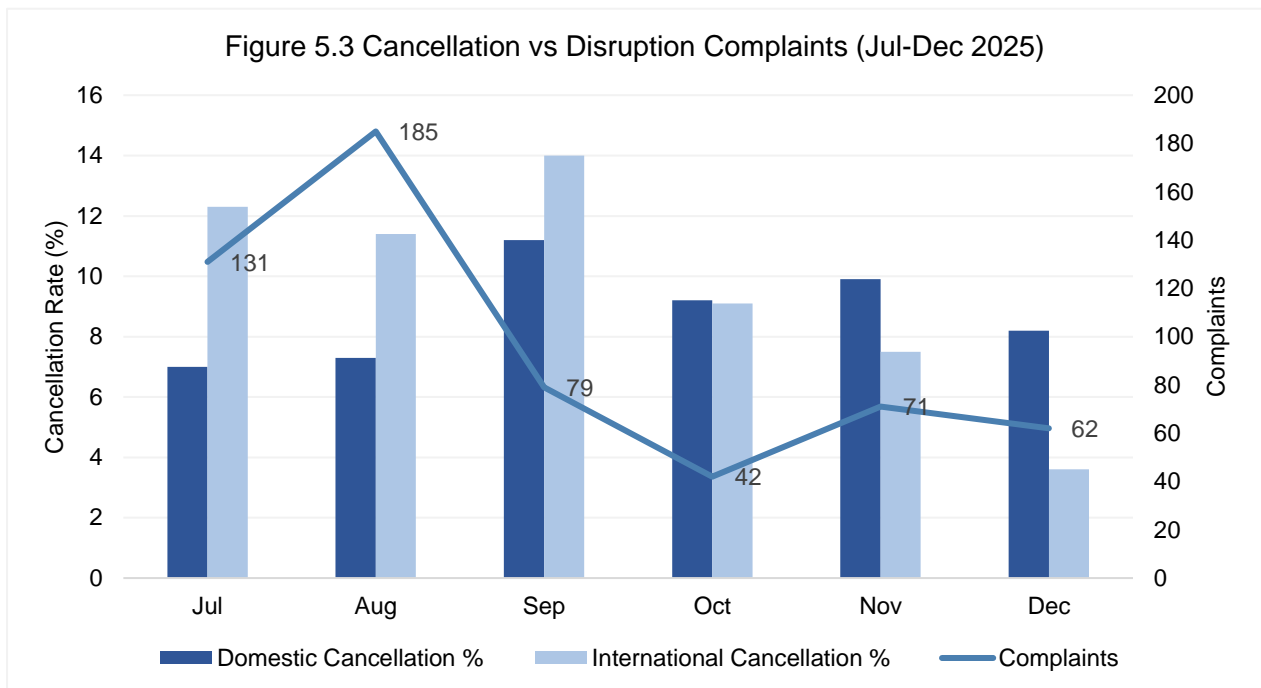
5.2 Correlation Between Operational Disruptions and Complaint Trends

An assessment of operational performance alongside complaint data indicates a general but not consistent relationship between service reliability and consumer response. Periods of higher On-Time Performance (OTP) are generally associated with lower complaint volumes. This is reflected in the decline in complaints from 159 cases in August to 100 cases in October, alongside improvements in domestic OTP from approximately 76% to 78% and international OTP from 66% to 72%. However, this pattern is not observed across all months, suggesting that complaint trends are influenced by factors beyond operational performance alone.

In contrast, cancellation rates do not show a consistent relationship with complaint volumes. While complaints peaked at 185 cases in August, the highest cancellation rates were recorded in September (11.2% domestic and 14.0% international), when complaints were significantly lower at 79 cases. This indicates that while cancellations can have a strong impact, they do not consistently drive overall complaint trends.

In addition, the timing of complaint submission may influence both delay and cancellation related complaints, as cases are not always lodged in the same month as the disruption. This affects the alignment between operational data and complaint volumes. Overall, while operational performance provides a useful indication of potential consumer dissatisfaction, factors such as disruption handling, financial resolution, and timing of complaints also play an important role. While a consistent trend is not observed, flight disruptions remain a key driver of consumer impact.



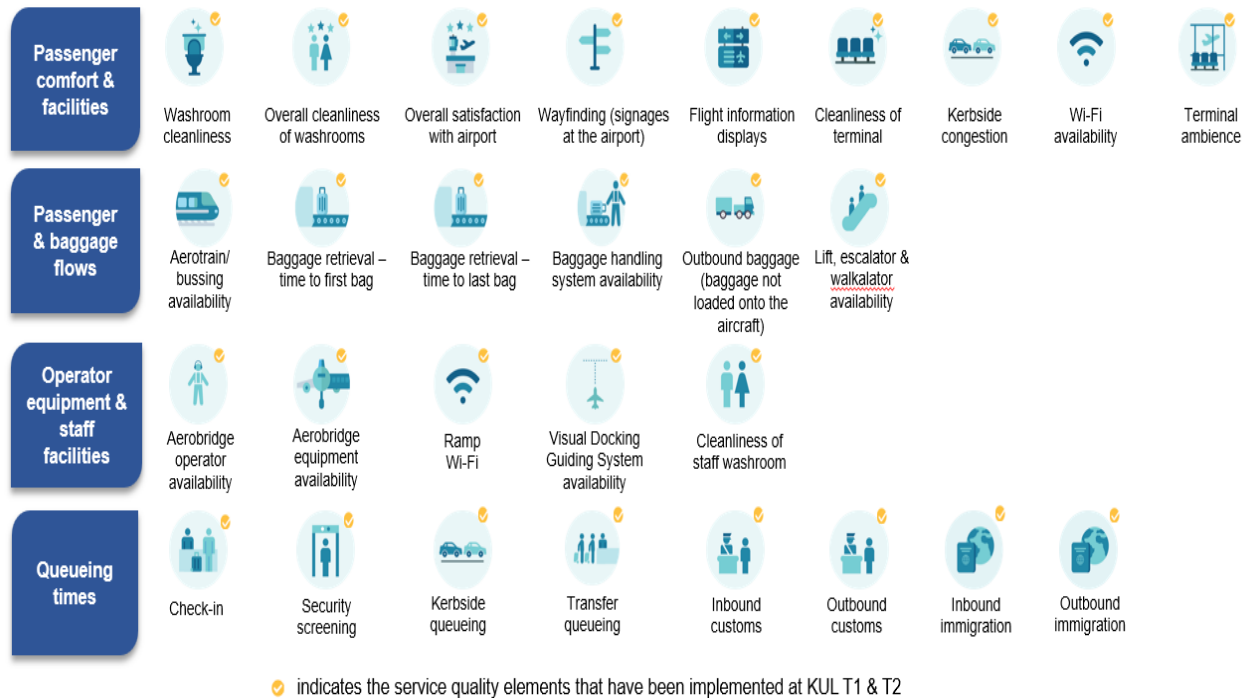


5.3 Airport Service Standards and Consumer Feedback

Airport service quality remains a key component of the overall consumer experience and is supported by the ongoing implementation of the Quality of Service (QoS) Framework. In 2H2025, the full implementation of QoS elements at KLIA Terminal 1 and Terminal 2, together with established monitoring mechanisms, has contributed to more consistent service delivery and improved visibility of performance across key operational areas.

Complaints relating to airport services remain relatively low in volume compared to airline-related issues, but are concentrated at specific consumer touchpoints. The primary areas of concern include safety and security processes, terminal facilities, and customer-facing interactions, reflecting critical stages of the consumer journey where service consistency directly influences overall experience.

While overall service standards are maintained, the concentration of complaints at these touchpoints indicates the need for targeted improvements, particularly during periods of higher consumer traffic. The structured monitoring approach under the QoS framework supports ongoing identification of these issues and enables more focused operational improvements to enhance service consistency and consumer satisfaction.



5.4 Monitoring Focus Areas Arising from Service Patterns

The combined assessment of operational performance and complaint data highlights several areas for continued regulatory focus. While operational indicators such as On-Time Performance (OTP) provide a useful view of service reliability, the relationship with complaint trends is not always consistent. This indicates that monitoring should extend beyond performance metrics alone to include how disruptions are managed and resolved, particularly in areas relating to financial outcomes and disruption handling.

The observed patterns also reinforce the need to monitor service performance across the full consumer journey. While airline-related issues remain the primary driver of complaints, feedback on airport services indicates that specific consumer touchpoints, such as security processes, facilities, and customer interactions, continue to influence overall experience. This supports a more integrated approach to oversight that considers both airline and airport service delivery.

Overall, strengthening the integration of operational data with complaint trends will support more targeted and risk-based monitoring. This will enable earlier identification of emerging issues, more focused engagement with service providers, and improved prioritisation of regulatory actions to enhance consistency in consumer outcomes.

Section 6: Consumer Awareness and Public Engagement

Consumer awareness and public engagement form an integral component of CAAM's consumer protection framework, supporting informed decision-making and effective utilisation of available complaint mechanisms. In 2H2025, these efforts were shaped by the transition to a single integrated regulatory structure, requiring a clear and coordinated approach to ensure continuity in consumer protection functions and accessibility of information.

6.1 Strategic Approach to Consumer Empowerment

Consumer awareness remains a key pillar in strengthening consumer protection within the aviation sector. During the reporting period, this effort was further reinforced by the institutional transition following the integration of the Malaysian Aviation Commission (MAVCOM) into CAAM in August 2025.

In managing this transition, CAAM adopted a structured communication approach centred on regulatory continuity, clarity and accessibility of information. Messaging focused on assuring the travelling public that consumer protection functions, including complaint handling, enforcement and service quality oversight under the Malaysian Aviation Consumer Protection Code (MACPC), remain fully operational under CAAM's expanded mandate. The transition narrative was deliberately framed around regulatory continuity rather than structural change, in order to minimise public confusion and maintain confidence during the integration period.

The positioning of CAAM as a single integrated aviation regulator, overseeing both technical safety and economic regulation, was emphasised to simplify public understanding and reduce fragmentation in regulatory communication. This approach supports informed consumer decision-making while strengthening overall confidence in the aviation regulatory framework.

6.2 Industry and Stakeholder Engagement

Engagement with industry stakeholders remained an important component in ensuring consistent implementation of consumer protection requirements, particularly during the transition period.

CAAM engaged with airlines, airport operators and relevant stakeholders to align on consumer communication practices, complaint handling processes and operational responses affecting consumers. Particular emphasis was placed on ensuring that stakeholders provide clear, timely and accurate information, especially during periods of disruption.

These engagements also served as a platform to reinforce key transition messages, including the continuity of regulatory oversight and complaint channels, while gathering feedback on

operational and consumer-related issues. This facilitated ongoing oversight and enabled CAAM to identify areas requiring further regulatory attention.

6.3 Public Communication and Outreach Initiatives

Public communication efforts were intensified to support the transition to a single regulator model and to ensure continued clarity for consumers.

Media and broadcast engagements were conducted through established national platforms, including The Edge Malaysia, BFM 89.9 and Bernama TV, to communicate key messages relating to continuity of consumer protection functions, clarification of complaint channels and processes, and CAAM's expanded role as a unified aviation regulator. These engagements ensured broad public reach and reinforced confidence in the regulatory transition.

In parallel, a digital-first outreach strategy was adopted to ensure sustained public engagement during the integration phase. Communication efforts leveraged social media platforms, web-based announcements and simplified informational materials designed to enhance accessibility and ease of understanding. This approach enabled consistent and timely dissemination of information during a period of structural change.

Particular emphasis was placed on maintaining the visibility and continuity of the FlySmart platform as the central consumer information and complaint channel. Communications reinforced that FlySmart remained fully operational and continued to serve as the primary platform for consumer rights information, guidance on common travel scenarios, and complaint submission and case tracking. Maintaining the prominence of FlySmart during the transition period was critical in ensuring uninterrupted access to consumer protection mechanisms and reducing uncertainty among consumers.

The integration of media engagement, digital outreach and platform visibility ensured consistent dissemination of information while supporting public understanding throughout the transition period.

6.4 Observed Impact on Consumer Engagement

The communication strategy adopted during the reporting period contributed to maintaining stability in consumer engagement despite the institutional transition.

Consumer access to information and complaint channels remained uninterrupted, supported by sustained digital communications and continued promotion of FlySmart. This ensured that consumers were able to obtain information and seek recourse without disruption. The stability of engagement patterns indicates that communication efforts were effective in preserving accessibility and continuity during a period of structural change.

Improved awareness is reflected in the increased utilisation of formal complaint channels and a higher proportion of actionable submissions, indicating that consumers are better informed of their rights and more able to articulate their concerns. This was further supported by sustained digital engagement and continued use of established complaint platforms throughout the transition period.

The positioning of CAAM as a single integrated regulator also contributed to reducing ambiguity regarding regulatory jurisdiction, thereby strengthening public understanding of oversight responsibilities and improving overall clarity in the regulatory framework.

Overall, the continued emphasis on communication continuity, stakeholder engagement and digital outreach supported consumer confidence and reinforced transparency within the aviation sector during a period of institutional change.

Section 7: Regulatory Monitoring and Compliance Oversight

CAAM continues to adopt a structured approach to regulatory monitoring, combining complaint data, operational indicators and industry reporting to inform engagement and enforcement actions.

Enforcement actions were imposed and maintained during the reporting period, including cumulative penalties of RM4.85 million on airlines and RM4.50 million on airport operators. These actions reflect ongoing regulatory oversight and reinforce compliance with consumer protection obligations.

The overall regulatory approach remains primarily engagement-based, with enforcement applied where non-compliance is established. This reflects a balanced model aimed at promoting compliance while supporting continuous industry improvement.

7.1 Monitoring Framework under CAAM

CAAM continues to carry out monitoring of compliance with consumer protection requirements under the Malaysian Aviation Consumer Protection Code (MACPC) and the Airport Quality of Service (QoS) framework.

Monitoring activities during the reporting period were supported by multiple data sources, including consumer complaint submissions, operational performance data and periodic reporting by airlines and airport operators. These inputs enable CAAM to identify recurring issues, assess service performance and detect potential areas of non-compliance.

Monitoring is conducted on an ongoing basis through review of complaint trends, operational indicators and supporting documentation submitted by operators. Where necessary, further clarification is sought to ensure that obligations under the MACPC and QoS requirements are met.

This approach allows CAAM to maintain visibility over industry performance and support early identification of issues affecting consumers.

7.2 Engagement-Based Corrective Measures

Engagement with service providers remains a key mechanism for addressing identified issues and promoting compliance with regulatory requirements. In 2H2025, CAAM continued to adopt an engagement-based approach, working closely with airlines, airport operators and other stakeholders to address operational and service-related concerns.

This approach involves communicating findings from complaint analysis and performance monitoring to relevant stakeholders, followed by discussions on corrective actions and service

improvements. Such engagements enable issues to be addressed at an early stage, often before they develop into more significant or systemic concerns.

The use of engagement-based measures also supports a more collaborative regulatory environment, encouraging service providers to take ownership of identified issues and implement improvements in a timely manner. This is particularly important in areas such as complaint handling, communication practices and disruption management, where operational adjustments can have a direct impact on consumer experience.

While engagement demonstrates the primary approach, its effectiveness depends on the responsiveness and commitment of service providers to implement corrective actions. As such, continued monitoring is required to ensure that agreed measures are effectively carried out and result in measurable improvements.

7.3 Enforcement Actions

Enforcement actions continue to serve as an important mechanism for ensuring compliance where regulatory requirements are not met. In 2H2025, CAAM maintained its enforcement function in line with established procedures, applying penalties in cases where non-compliance was identified and substantiated.

As at the end of the reporting period, cumulative financial penalties imposed amounted to RM4.85 million on airlines and RM4.50 million on airport operators, reflecting ongoing efforts to uphold consumer protection standards within the industry. These enforcement actions reinforce regulatory expectations and signal CAAM's commitment to ensuring accountability among service providers.

At the same time, enforcement is applied selectively and proportionately, taking into account the nature and severity of non-compliance. This ensures that regulatory actions remain fair, consistent and aligned with the objective of improving industry practices.

The combination of monitoring, engagement and enforcement enables CAAM to adopt a comprehensive approach to compliance oversight. Moving forward, strengthening the linkage between these elements will be critical in supporting a more proactive and risk-based regulatory framework, ensuring that consumer protection objectives are achieved effectively and sustainably.

Section 8: Forward Outlook and Strategic Priorities for 2026

The findings from 2H2025 reflect a period of relative stabilisation following earlier operational pressures, while highlighting that underlying service delivery challenges continue to affect consumer experience. Although improvements in certain operational indicators have been observed, the persistence of elevated complaint volumes indicates that consumer dissatisfaction remains structurally present, particularly in areas relating to operational reliability and post-disruption handling.

The transition to a single integrated regulatory framework, following the consolidation of functions under CAAM, provides an opportunity to strengthen oversight and enhance the effectiveness of consumer protection measures. By aligning technical, operational and consumer data within a unified framework, CAAM is better positioned to identify trends, assess risks and respond more proactively to emerging issues.

8.1 Strengthening Consumer Protection Oversight

Moving forward, CAAM will place greater emphasis on a proactive and risk-based approach to regulatory oversight, shifting from reactive case management towards earlier identification and mitigation of systemic issues. This will involve deeper integration of complaint data with operational performance indicators, enabling more effective detection of patterns and emerging risks.

The use of leading indicators, such as On-Time Performance (OTP) and disruption trends, will support earlier intervention, allowing potential issues to be addressed before they result in widespread consumer dissatisfaction. This approach is intended to enhance the effectiveness of regulatory oversight while improving overall efficiency in resource allocation.

At the same time, strengthening data capabilities and analytical frameworks will be critical in supporting this transition. By enhancing the use of data-driven insights, CAAM will be able to prioritise areas with the greatest impact on consumer outcomes and implement more targeted regulatory measures.

8.2 Priority Areas for Consumer Protection

The analysis of complaint trends and operational performance in 2H2025 highlights several priority areas that will require continued regulatory focus. These include operational reliability, refund processes and communication practices, which remain the primary drivers of consumer dissatisfaction.

Operational reliability, particularly in relation to delays and service consistency, will remain a key focus area. Improving predictability and reducing variability in performance will be critical in enhancing consumer confidence. In parallel, strengthening refund processes, particularly in

terms of timeliness and clarity, will be essential in addressing one of the most persistent sources of dissatisfaction.

Communication practices during disruption events also require continued improvement. Ensuring that consumers receive timely, accurate and consistent information will play a significant role in managing expectations and reducing escalation. Addressing these areas in a coordinated manner will be critical in improving overall consumer experience.

8.3 Strengthening First-Level Resolution and Industry Accountability

A key finding from 2H2025 is the continued reliance on regulatory escalation to achieve resolution, indicating that first-level complaint handling mechanisms are not consistently effective. Addressing this issue will be a central priority moving forward.

CAAM will focus on strengthening expectations for complaint handling at the service provider level, including improvements in response timeliness, clarity of communication and adherence to regulatory obligations. Enhancing accountability mechanisms and monitoring performance more closely will be essential in ensuring that issues are resolved effectively at source.

Improving first-level resolution is expected to reduce escalation rates, enhance efficiency within the regulatory system and improve overall consumer satisfaction. This will also support a more balanced regulatory approach, where service providers play a more active role in managing consumer outcomes.

8.4 Enhancing Transparency and Consumer Confidence

Maintaining consumer confidence requires not only effective regulation, but also transparency in how consumer protection measures are implemented. Continued efforts will be made to improve the visibility of regulatory actions, enhance public communication and ensure that consumers have access to clear and accurate information.

The role of digital platforms, particularly FlySmart, will remain central in supporting this objective. Strengthening the accessibility and usability of these platforms will ensure that consumers are able to obtain information and seek recourse in a timely manner.

In addition, continued engagement with industry stakeholders and the public will support a more transparent and accountable regulatory environment. By reinforcing clarity in roles, responsibilities and processes, CAAM will be better positioned to sustain public confidence in the aviation sector.

8.5 Strategic Direction for 2026

Looking ahead, CAAM's strategic direction will focus on strengthening regulatory effectiveness through a combination of data-driven monitoring, targeted engagement and proportionate enforcement.

The emphasis will be on ensuring that improvements in operational performance are translated into tangible outcomes for consumers. This requires closer alignment between industry practices and regulatory expectations, supported by continuous monitoring and engagement.

Overall, CAAM will continue to enhance its role as a proactive, transparent and consumer-focused regulator, ensuring that the aviation sector is responsive to consumer needs while maintaining high standards of service delivery.

Annexes

A. Methodology and Data Sources

This annex explains the data sources and analytical methods applied in preparing the consumer report.

Three primary data sources form the basis of this analysis. The first is the Complaint Management System (CMS), which captures all complaints, requests, enquiries and feedback received by CAAM. The second source comprises the monthly operational performance reports submitted by Air Service License holders (ASL), covering on-time performance, cancellations and the underlying causes of delays and cancellations. The third source is the Airport Quality of Service (QoS) performance dataset provided by Malaysia Airports Holdings Berhad (MAHB), supported by independent inspections and consumer surveys. Operational performance data for foreign carriers, including OTP and cancellation results, is also obtained from MAHB to ensure that performance outcomes for all operators are measured using the same standards and can be fairly compared.

Consumer cases were categorised into actionable and unactionable cases based on internal guidelines. Actionable cases included complaint or request submissions under CAAM's jurisdiction with sufficient documentation. Unactionable cases included incomplete submissions, cases outside CAAM's mandate or cases where airlines or airports had already complied with the Malaysian Aviation Consumer Protection Code.

Complaints per one million consumers were used for Malaysian carriers based on airline-submitted consumer movement data. Ratio analysis was not performed for foreign carriers because consumer carried data was not available.

Operational performance indicators were measured using CAAM's prescribed definitions. On-time performance was defined as departures within fifteen minutes of schedule. Cancellations were assessed based on the requirement that airlines operate at least eighty percent of scheduled flights.

B. Glossary of Terms

This annex provides definitions of key terms used in the report to ensure clarity and consistency for all readers.

Airport Quality of Service (QoS) Framework

Refers to the regulatory framework that establishes minimum service standards for airport operators. The Framework covers key aspects of consumer experience, including terminal

comfort, baggage handling performance, equipment reliability and queueing times, and serves as the benchmark for assessing airport service delivery across Malaysia.

Civil Aviation Authority of Malaysia Act 2017 [Act 788]

Refers to the legislation that establishes the Civil Aviation Authority of Malaysia and sets out its statutory functions in regulating civil aviation safety, operations and oversight. The Act provides the legal foundation for CAAM's role as the national aviation regulator, and, following amendments effective 1 August 2025, also anchors the transfer of consumer-protection, economic-regulation and related functions into CAAM's expanded mandate.

Civil Aviation Authority of Malaysia (CAAM)

Refers to the Civil Aviation Authority of Malaysia, the national aviation regulator established under the Civil Aviation Authority of Malaysia Act 2017 [Act 788]. CAAM is responsible for regulating civil aviation safety, operational oversight and the administration of aviation standards in Malaysia. Following the transfer of functions effective 1 August 2025, CAAM also undertakes economic-regulation and consumer-protection responsibilities as part of its expanded mandate.

Complaint Management System (CMS)

Refers to the Complaint Management System operated by CAAM to receive, categorise and manage complaints, requests, enquiries and feedback related to aviation services. The system supports structured case handling, monitoring of response timelines and analysis of consumer-related trends.

Consumer Case

Refers to any submission received by CAAM through its various channels, including complaints, requests, enquiries and feedback related to air travel. These submissions form the basis for assessing service issues and identifying potential areas of non-compliance within the aviation sector.

FlySmart

Refers to Malaysia's official aviation consumer information platform, developed to educate consumers on their rights and provide guidance on how to lodge complaints. The platform supports greater consumer awareness and serves as a central resource for information related to consumer travel rights.

Malaysia Airports Holdings Berhad (MAHB)

Refers to Malaysia Airports Holdings Berhad, the operator of the majority of commercial airports in Malaysia. MAHB is responsible for managing airport infrastructure, terminal facilities and the provision of airport services across its network of airports.

Malaysian Aviation Commission (Dissolution) Act 2024 [Act 856]

Refers to the legislation that dissolved the Malaysian Aviation Commission and transferred its consumer-protection, economic-regulation and related statutory functions to the Civil Aviation Authority of Malaysia. The transfer took effect on 1 August 2025 and consolidated all aviation regulatory functions under CAAM to streamline oversight and strengthen regulatory coherence across the sector.

Malaysian Aviation Consumer Protection Code (MACPC)

Refers to the Malaysian Aviation Consumer Protection Code 2016, which prescribes minimum rights for air consumers and sets out the obligations of airlines and airport operators in areas such as service delivery, transparency of information, refund practices and complaint handling. The Code forms the primary regulatory framework governing consumer protection within Malaysia's aviation sector.

On-Time Performance (OTP)

Refers to a punctuality indicator defined as a flight departing within fifteen minutes of its scheduled departure time. OTP is used to assess the operational reliability and timeliness of airline services.

Unactionable Case

Refers to a submission that cannot be processed because the matter falls outside CAAM's jurisdiction, lacks sufficient information to proceed, or relates to an obligation already fulfilled in accordance with the Malaysian Aviation Consumer Protection Code.

C. Consumer Complaint Channels

Consumers may submit complaints, requests for assistance, enquiries or feedback through the Complaint Management System, which is the primary platform used by the Civil Aviation Authority of Malaysia to manage all aviation consumer cases. All submissions made through this system are recorded, assessed and processed in accordance with the Malaysian Aviation

Consumer Protection Code to ensure that issues brought forward by consumers receive proper regulatory attention.

FlySmart functions as Malaysia's official aviation consumer information platform and is accessible via both website and mobile application. It provides consumers with clear guidance on their rights, entitlements relating to delays or refunds, and step-by-step instructions on how to lodge a complaint. The FlySmart mobile app can be downloaded through the Apple App Store and Google Play Store, while the website is accessible at www.flysmart.my. These channels offer consumers an accessible reference point for clarification or support before submitting a formal complaint.

Consumers who need further assistance after submitting a case, or who wish to provide additional documentation, may contact the Consumer Affairs Division through the official email address consumer@caam.gov.my. This channel facilitates follow-up communication, clarification of case details and other enquiries related to the handling of consumer cases.

A dedicated consumer hotline, 1-800-18-6966, is also available for consumers who require real-time assistance or guidance on the complaint submission process.

For matters requiring in-person support, consumers may walk into the Civil Aviation Authority of Malaysia headquarters at No. 27 Persiaran Perdana, Aras 1, Blok Podium, 62618 Putrajaya. Walk-in enquiries are attended to during official working hours and provide an alternative channel for consumers who prefer face-to-face engagement. Appointments may also be made through the E-Temujanji system available on the CAAM website.

These channels ensure that consumers have reliable and accessible avenues to seek help, obtain information and submit complaints relating to their rights and entitlements under the Malaysian Aviation Consumer Protection Code.

CAAM Headquarters Address

Civil Aviation Authority of Malaysia
Pihak Berkuasa Penerbangan Awam Malaysia
No. 27, Persiaran Perdana,
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62618 Wilayah Persekutuan Putrajaya,
Putrajaya, Malaysia.

Phone No. : +603-88714000

Consumer hotline:
1800-18-6966 (Within Malaysia)
+603-7651 2777 (Outside Malaysia)

Monday – Friday (except on public holidays)
8:30 AM – 5:30 PM