

Disrupted flight compensation has lost a third of its purchasing power

VILNIUS, LITHUANIA, June 13, 2025 /EINPresswire.com/ -- As the EU considers tightening eligibility criteria under the EU261 regulation, flight compensation company Skycop warns that current compensation amounts have lost at least a third of their real value across Europe since the regulation was introduced in 2004. Rather than reducing eligibility, Skycop argues that compensation levels should be doubled to reflect inflation—while keeping existing conditions unchanged.



The right approach would be to increase current compensation amounts while maintaining eligibility criteria, ensuring fair treatment that reflects inflation.”

Nerijus Zaleckas

The EU261 mechanism was designed to encourage airlines to provide better service by compensating passengers for delayed or canceled flights. Compensation amounts, which still range from €250 to €600, also aim to offset the inconvenience caused to travelers.

However, with cumulative eurozone inflation exceeding 50% since 2004, these sums no longer hold their original

purchasing power. In countries such as France and Germany, for example, €375 today would be needed to equal the value of the minimum €250 compensation set two decades ago. This effect is even more pronounced in newer EU member states.

At the same time, IATA estimates that European airlines' net profits have grown from approximately \$1–2 billion in 2004 to around \$10 billion in 2024. Industry revenues have also surged, rising from about \$100 billion to more than \$300 billion during the same period.

In June, EU transport ministers agreed to revise the EU261 rules, proposing to extend the minimum delay required for compensation from three hours to between four and six hours, depending on flight distance. Currently, passengers are entitled to compensation if their flight is delayed by more than three hours regardless of distance. While the minimum compensation would rise slightly from €250 to €300, the maximum amount for the longest flights would decrease from €600 to €500, effectively weakening passenger protection — even before factoring in inflation.

This proposal, now awaiting evaluation by the European Parliament, has been presented as an “improvement” compared to earlier plans discussed this year that considered thresholds as high as 5 to 12 hours.

Skycop's attorney at law, Nerijus Zaleckas, warns that raising the delay threshold would reduce compensation eligibility numbers by at least two to three times. "For European travelers, this could mean hundreds of millions of euros in lost compensation every year," he says.

"We find the EU proposals deeply concerning. Over the past two decades, the European airline industry has increased its profits, yet it is now lobbying to further reduce passenger rights and limit its liabilities. The right approach would be to increase current compensation amounts while maintaining eligibility criteria, ensuring fair treatment that reflects inflation. This would enhance Europe's appeal to tourists and businesses alike," Zaleckas adds.

He also highlights that countries like Turkey and Saudi Arabia, which have recently adopted compensation mechanisms modeled on EU261, recognize the strategic value of fair passenger treatment. Beyond cash payouts, these regulations help pressure airlines to maintain timely and smooth operations by imposing financial consequences on delays.

According to Skycop's aggregated data, nearly 218,000 flights were significantly disrupted in Europe in 2024, theoretically entitling passengers to around €6 billion in compensation. However, up to half of these cases fall outside airline liability due to events like severe weather or strikes, and about two-thirds of affected passengers never file claims.

Kostas Baubinas
Skycop
[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/821906558>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.