

It was a Tuesday afternoon. An inconspicuous email landed in *Pilot's* inbox, alerting us about a flight school director in Wolverhampton who had allegedly duped his students of about £60,000. Unfortunately, in a newsroom these kinds of emails are not uncommon: investigations are always started, but often it turns out that the evidence is not very strong, that the case is actually quite nuanced and not very clear, or that simply there isn't much of a situation. This time, however, a preliminary review and a few enquiries quickly led to numerous and consistent witness accounts and pieces of evidence, and so we started to take a closer look at the case. But, as the scenario became increasingly clearer, an even more important question emerged: why is the CAA not doing anything about this?

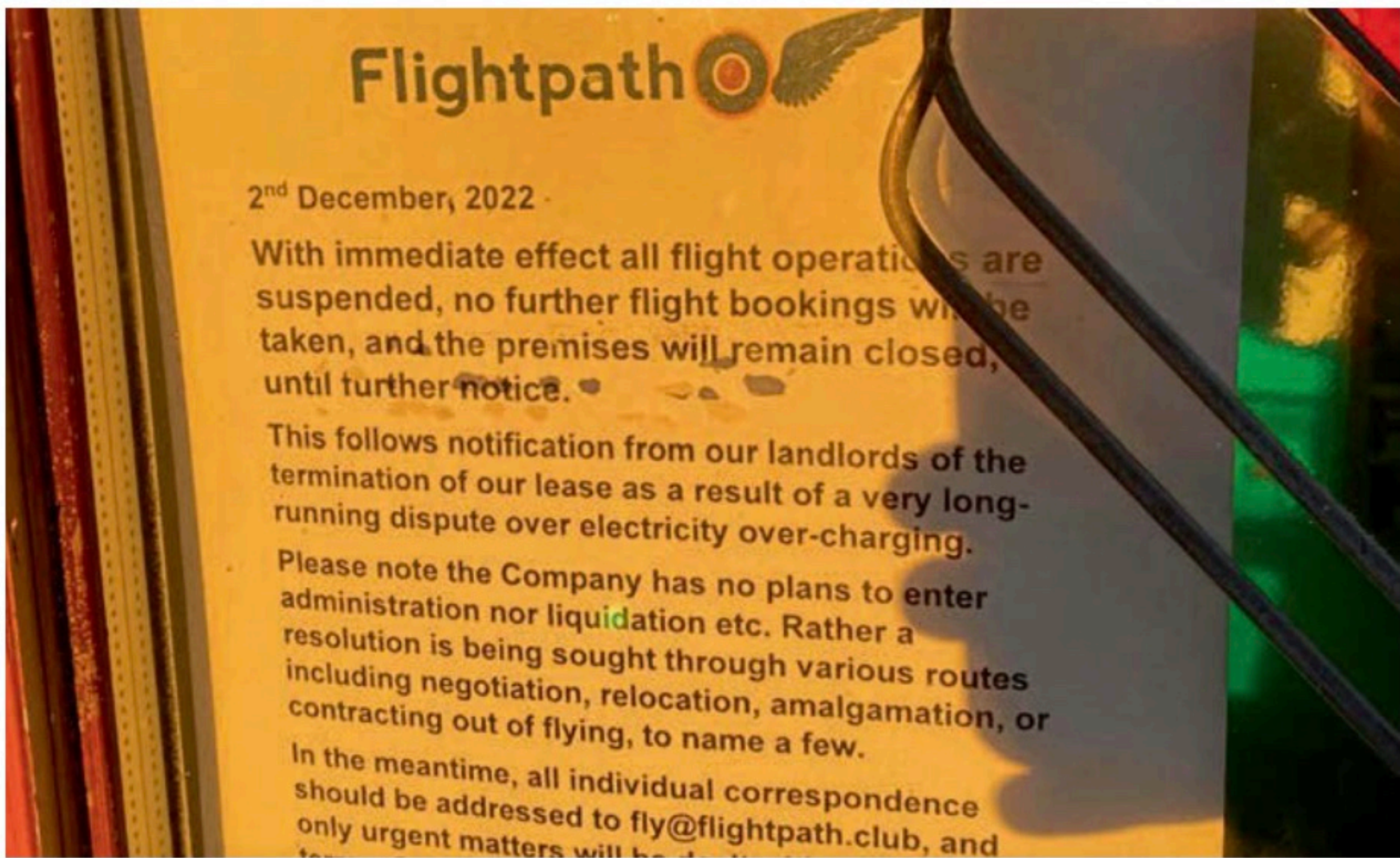
“HE TURNED ANGRY AND HUNG UP ON ME”

“My story is that in December 2020 I paid £4,997 for a thirty-hour LAPL(A) training package,” says one of the many students that gave us an account of their experience. “Training was slow due to poor weather, instructor unavailability, and plane maintenance problems. In July 2022 the school director wrote to customers saying that, as costs had increased, he needed us to pay more money in addition to our pre-payments [the student was still training for his LAPL -Ed]. I responded to him to try to be clear about what was being requested. He stalled for the next few weeks and on 20 August I proposed that, as he had not confirmed the new rate, that it was reasonable for him to refund the unused portion of my pre-paid hours. He turned angry and accused me of being overly aggressive and hung up on me. I haven't been able to reach him since.”

The witness accounts that we reviewed all describe a similar scenario: the school would take deposits for a course, start the flying lessons, and then it would slow down the delivery



▲ Flightpath's website was still offering lessons and trial flights on 30 November 2022



▲ Two days later, on 2 December, students found this sign on the door, announcing the school's closure [photo supplied by complainant]

of lessons for reasons that seemed plausible (primarily maintenance and instructor availability). Sometimes, halfway through a course, additional payments would be requested in order to continue flying – again for reasons that seemed reasonable, like increased fuel cost.

To each student, acting individually, the slow pace of training seemed unfortunate, yet reasonable. It was only when students started talking to

each other that a potential pattern of deceit started to emerge, along with a large number of consistent clues. According to the students, for instance, the school director would sometimes force payments to be made in cash, with poor record-keeping and questionable receipts (on the UK government's Companies House website several firms associated with the school director are marked for overdue statements or were given compulsory strike-off notices). Some flight instructors at Flightpath were also reportedly not happy – one of them contacted us to say that the school still owed him £28,500.

So, there was a potential problem, and the students joined forces to contact Action Fraud (the UK Police unit tasked with fraud investigations) and the Civil Aviation Authority (CAA). And here is where the story took a surprising turn.

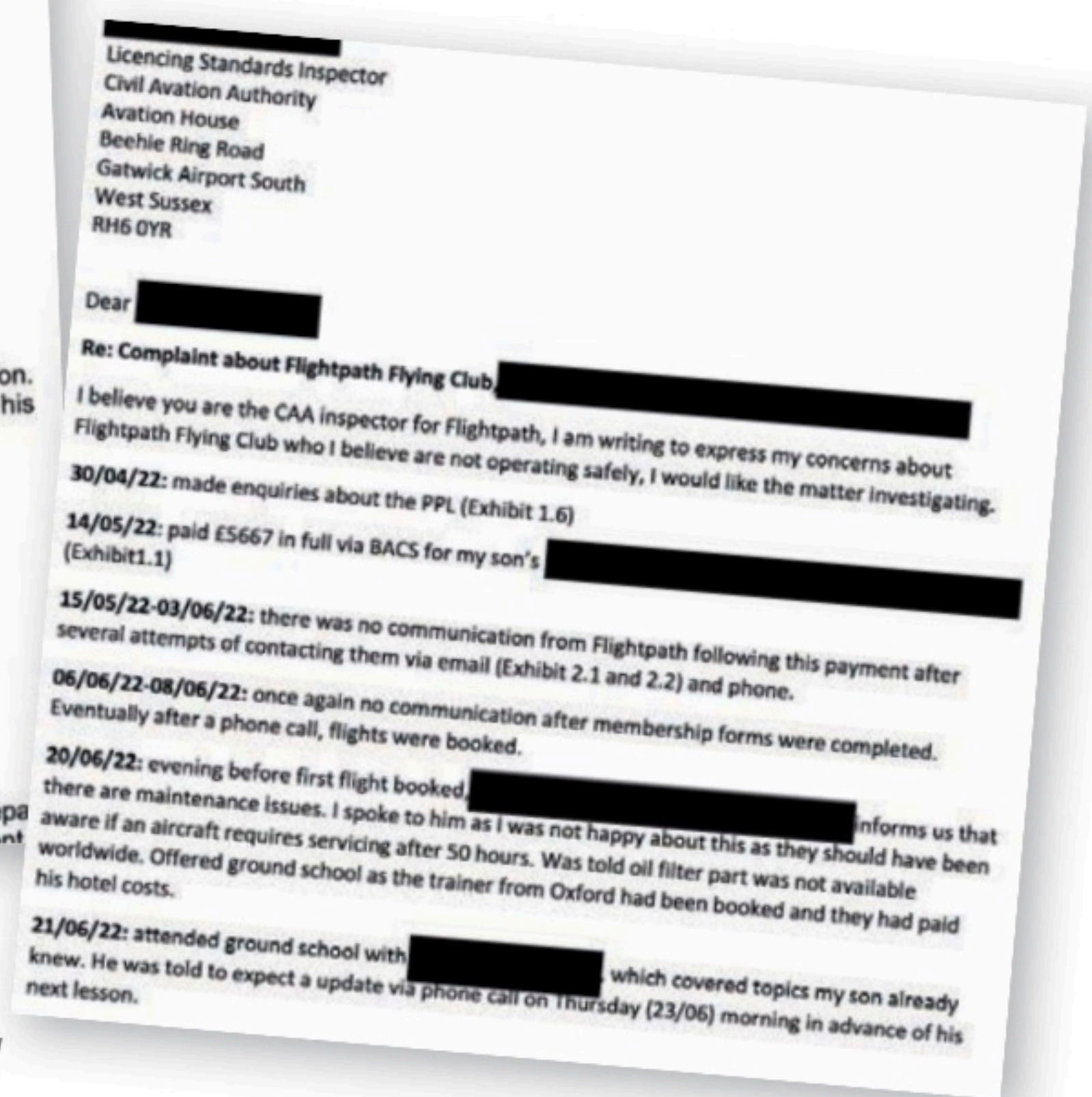
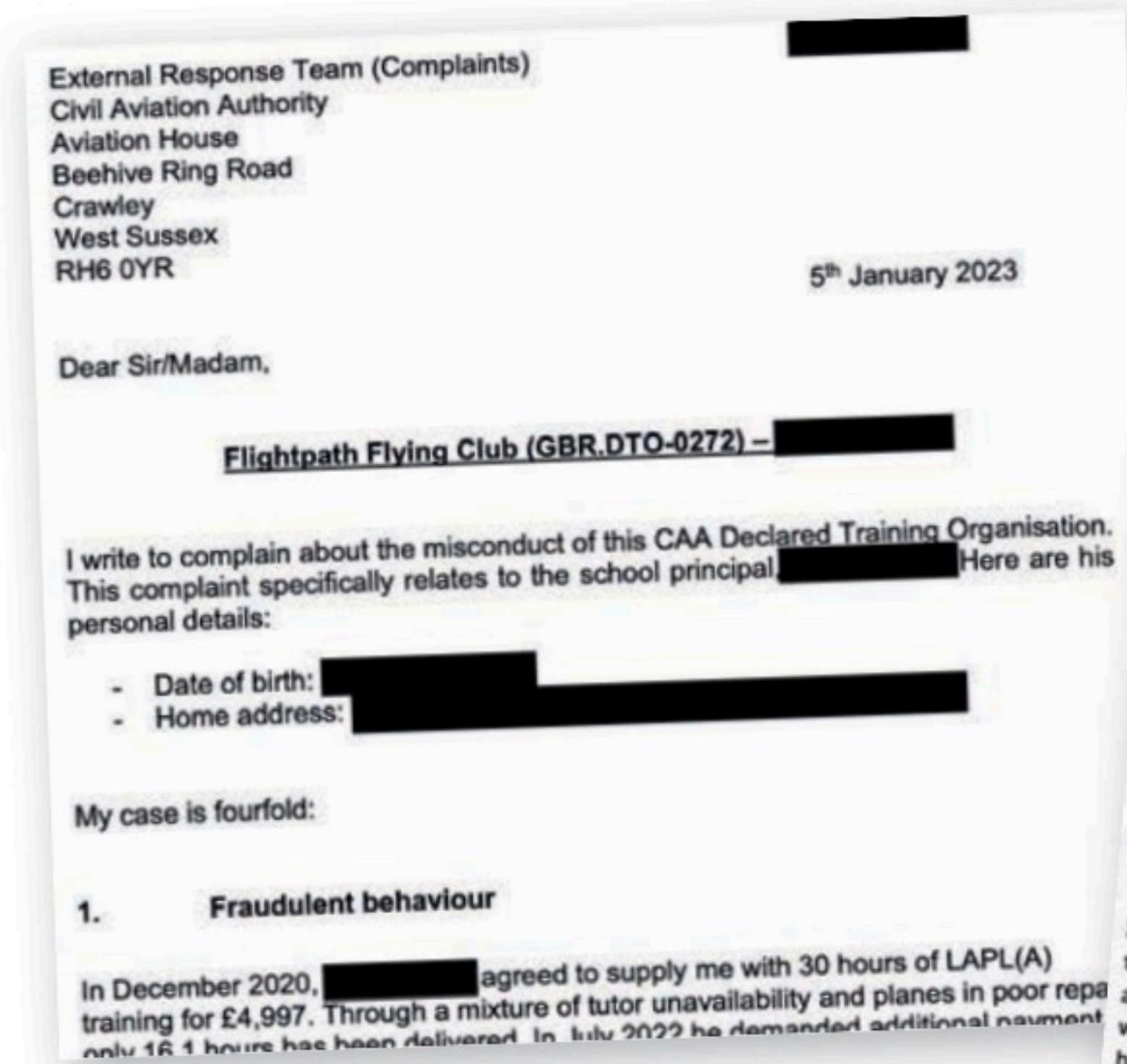
Key takeaways

- The CAA was aware of potentially fraudulent behaviour taking place at Flightpath Aviation as early as July 2022
- In cases of potentially dishonest behaviour, the CAA's Fitness of Character policy states that the Authority 'must consider regulatory intervention'
- Instead, the Authority inexplicably informed the numerous complainants that it had no power to investigate

CANNOT INVESTIGATE (ALTHOUGH WE SHOULD...)

The students wrote lengthy and detailed emails to the CAA, detailing how they felt defrauded and asking for action to be taken. Flightpath was a Declared Training Organisation (DTO), meaning that the CAA had oversight of the school, and that there was a specific CAA Inspector assigned to it. However, the Authority surprisingly rejected the students' requests, saying that it considered the matter simply a financial dispute, that there were no potential safety implications and that, as such, it had no power to investigate.

Replying to a complainant in July 2022, for instance, the CAA said 'I am afraid we cannot assist in financial disputes between flying schools and their customers', adding however



Two of the complaint emails sent to the CAA [supplied by complainants]

that it 'had seen a number of other complaints, all of which have a thread very similar to yours' and that 'it might well be the case that there has been some financial impropriety or fraud taking place' (see box).

In this case, the rules are very clear: the CAA's own 'Fitness of Character'

policy states that the Authority must act when the trustworthiness of an individual under its oversight is in doubt. The policy does not even give the CAA an option: not only does it say that the Authority *can* investigate, it says that it *must* do so. So, on that account, it is likely that the CAA broke its own rules.



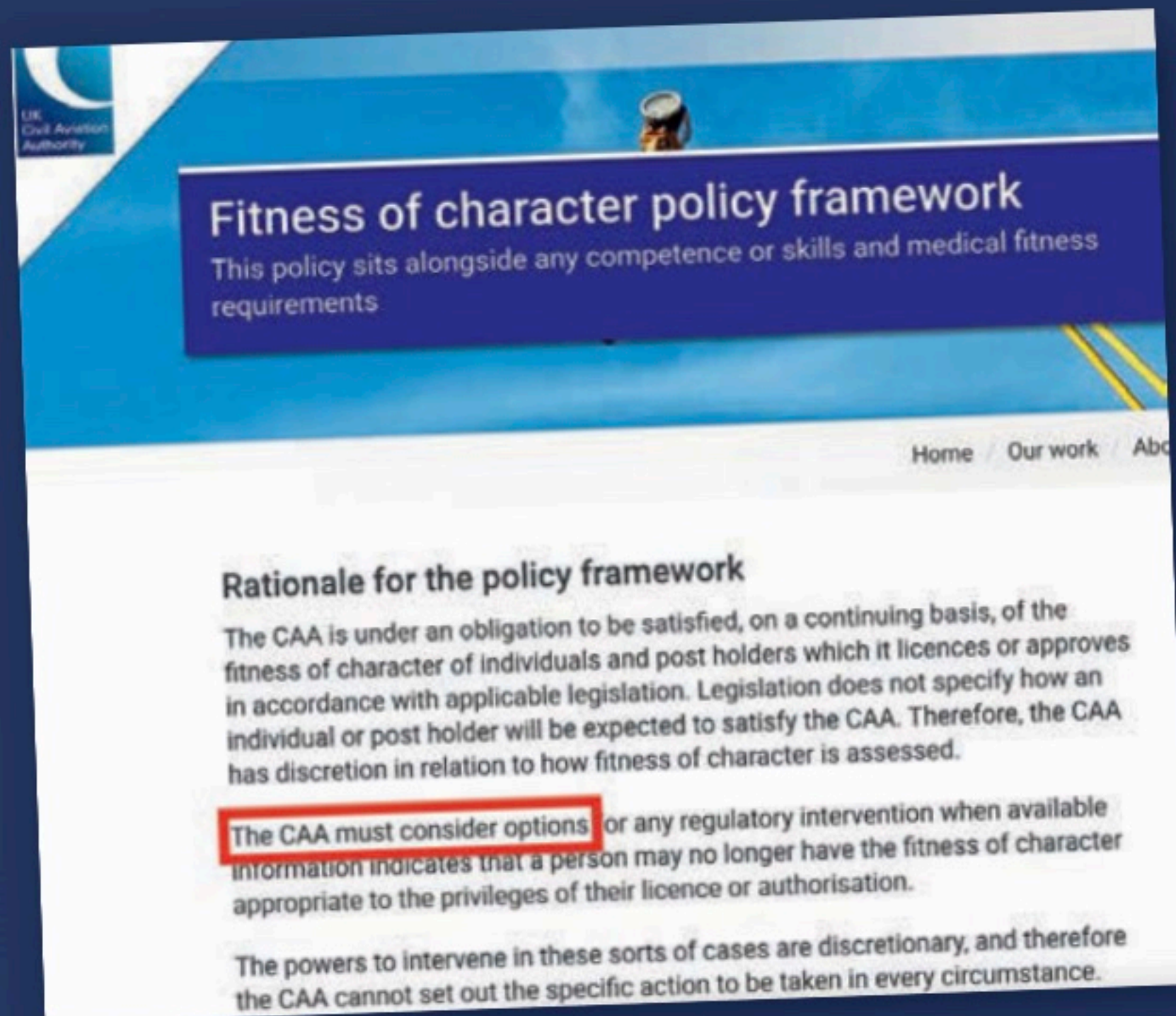
What the law says

The main rule to consider in cases like that of Flightpath is the so-called CAA 'Fitness of Character' policy. In essence, it means that, to work in aviation, you need to be honest and reliable (the policy explicitly mentions 'trustworthiness' and 'propensity to obey rules'). The policy also says that the CAA must act when the trustworthiness of an individual is in doubt ('The CAA must consider regulatory intervention when available information indicates that a person may no longer have the Fitness of Character appropriate to the privileges of their licence or authorisation').

The CAA knew that there was a potential Fitness of Character issue with the director of Flightpath. For instance, in one of the emails it sent in reply to a student that had complained, the CAA stated 'It may well be the case that, under UK law, there has been some financial impropriety or worse, fraud, taking place', adding that it was aware of multiple complaints about the school's director. Given this

information, the CAA (according to its own policy) had to act. However, it declined to do anything, stating instead that it did not have the power to do anything ('I am afraid that the CAA cannot investigate this').

The Fitness of Character policy also gives concrete examples of what may disqualify a school director, mentioning 'civil sanctions' (Flightpath's Director has been served at least two different County Court Judgments for failure to repay a debt). In this case, the policy says that 'Anyone convicted of a dishonesty offence is unlikely to be regarded as having Fitness of Character'. When a public body like the CAA fails to act there is the possibility to take the case further, particularly in the form of a Judicial Review. In a Judicial Review a judge determines whether the action (or lack of action) taken by the public body is lawful, in this case notably for a potential 'failure to exercise jurisdiction' and failure to meet a 'legitimate expectation' of the complainants.



suggests that, at this moment in time, you are not the only ones who are experiencing issues concerning payments (in advance) for flight training with that school. I have seen a number of other complaints, facebook posts etc all of which have a very similar thread to yours.

The CAA knew that something might be wrong at Flightpath Aviation [CAA email to a complainant]...

... but it pretended that it could do nothing [CAA email to a complainant]

According to its own 'Fitness of character policy' the CAA must investigate and consider action when it suspects that a school director is not behaving honestly [CAA website screenshot]

HOW CAN I (NOT) HELP?

Besides the legal requirements, what emerged from this case was the Authority’s limited ability (or maybe willingness?) to assist the students. For instance, the Fitness of Character policy gives clear examples of what would enable the Authority to disqualify a school director, mentioning among others ‘civil sanctions’. Did the Authority actively seek out that type of evidence?

No. Did it mention it to the complainants? No. Was such evidence available? Yes; with a couple of emails *Pilot* obtained evidence of two different County Court Judgments issued against Flighpath’s Director for failure to repay a debt. So, why didn’t the CAA mention the Fitness of Character policy to the students? Why didn’t the Authority clearly explain to them what evidence was needed to start an investigation?

And why didn’t it obtain this evidence? We asked the Authority about this, and its explanation was as follows: ‘the CAA has received no direct reports that would indicate Flighpath Aviation, or those associated with managing its operations, have breached aviation safety regulations’. Essentially, the Authority was seemingly unaware of its own Fitness of Character policy, which never mentions safety and is simply concerned with the honesty of a licensed individual (conceivably because it assumes that a dishonest person is also unsafe). In other words, it seems that the CAA forgot its own rules, and was under the impression that it could only intervene when complainants submit a report concerned *only* with safety. But even in this case the whole story does not seem to add up. Safety, in fact, was mentioned by some complainants, and the CAA’s statement that it ‘has received no direct reports... [of] breached aviation safety regulations’ is, at best, misleading. In July 2022, for instance, the mother of a young student emailed the Authority worried about the safety of her son doing flight training at the school.

The whole story does not seem to add up. Safety, in fact, was mentioned by some complainants

In her email she mentioned an episode where the school director had become angry with her son because he had looked at a nearby school to continue his training, since he was frustrated by the frequent delays at Flighpath. This happened right before a training flight, and the student’s mum advised him not to fly because of potential safety issues. However, the student was allegedly pressured to go flying by the school’s staff, and he did go on his flight lesson. In her email, the student’s mother also mentioned that she was worried because an aircraft that was supposedly in maintenance was suddenly made available for a flight after her son complained.

So, the CAA had received complaints not only about pre-payments not being honoured, but also about potential

One of the two County Court Judgments (CCJ) served to Flighpath’s Director for failure to repay a debt [provided by complainant]

A civil sanction like a CCJ would likely have disqualified the director under the CAA Fitness of character policy [CAA website screenshot]

Judgment for Claimant
(in default)

In the County Court at Online Civil Money Claims

Claim Number	
Claimant (including ref.)	
Defendant (including ref.)	Flighpath Flying Club Ltd
Date	9 November 2022

To the Defendant

You have not replied to the claim form.

It is therefore ordered that you must pay the claimant £2,342.40 for debt (and interest to date of judgment) and £115.00 for costs.

You must pay the claimant the total of **£2,457.40** forthwith

Warning
If you ignore this order your goods may be removed and sold, or other enforcement proceedings may be taken against you. If this happens further costs will be added. If your circumstances change and you cannot pay, ask at the court office what you can do.

Notes for the defendant

If you did not reply to the claim form and believe judgment has been entered wrongly in default, you may apply to the court office giving your reasons why the judgment should be set aside. An application form is available for you to use and you will need to pay a fee. A hearing may be arranged and you will be told when and where it will take place. If you live in, or carry on business in, another court's area, the claim may be transferred to that court.

If judgment is for £5,000 or more, or is in respect of a debt which attracts contractual or statutory interest for late payment, the claimant may be entitled to further interest.

Address for Payment

How to Pay

- Payment(s) must be made to the person named at the address for payments giving the claimant's reference and claim number
- DO NOT bring or send payments to the court - they will not be accepted
- You should allow at least 4 days for your payment to reach the claimant (defendant) or his representative.
- Make sure that you keep records and can account for all payments made. Proof may be required if there is any disagreement. It is not safe to send cash unless you use registered post.
- Leaflets on registered judgments, how to pay and what to do if you cannot pay are available from the court.

The court office at the County Court at Online Civil Money Claims, St Katherine's House, 21-27 St Katherine's Street, Northampton, Northamptonshire, NN1 2LH. When corresponding with the court, please address forms or letters to the Court Manager and quote the claim number. Tel: 0300 123 7050. Check if you can issue your claim online. It will save you time and money. Go to www.moneyclaim.gov.uk to find out more.

N30 Judgment for Claimant (in default)

Produced by:CMC Auto Judgment CJR040

Specific information that may call into question fitness of character includes, but is not limited to, the following:

- Criminal convictions or **civil sanctions**. Anyone convicted of an aviation related offence or dishonesty offence is unlikely to be regarded as having fitness of character. Convictions for unrelated offences may be relevant when considering propensity to obey rules.
- Falsification of records.
- Providing false information

... but the CAA did not seek, nor manage, to find this evidence [screenshot of a CAA email sent to Pilot]

or any credible evidence that would indicate Flighpath Aviation, or those associated with managing its operations have breached aviation safety regulations. Prior to your enquiry we were not aware of any work by Action Fraud or county court judgements obtained by individuals. Therefore, we have not undertaken an investigation and therefore there would be no cause to reference this policy.

Evidence against Flightpath

The indications that there might have been problems at Flightpath were numerous. Among the most important evidence seen by *Pilot* there were:

1. Two County Court Judgments issued against the school's director for failure to reimburse students of their funds
2. Twenty-two witness accounts (and Action Fraud files) complaining that the school did not deliver training that had been paid for
3. According to numerous witnesses the school kept receiving payments although it had received repeated threat of a lease termination for unpaid bills by the airport where it was based (for instance, *Pilot* has seen evidence of a £875 payment received by the school on 21 October, a few weeks before it closed)
4. According to numerous witnesses there were very lengthy waits to book a flight. In one case, a student who had made a £3,200 deposit for a LAPL course, had to wait more than forty days (from 29 September until 16 November) to obtain an email reply regarding a flight booking, despite repeated requests. In another case, the school did not reply to emails or phone calls for a period of eighteen days after a student had made an initial payment of £5,667 for a PPL course. After repeated delays, the first flight for such course was only carried out more than one month after the deposit had been paid. When the student, unhappy with Flightpath, visited a nearby school, Flightpath's Director allegedly became aggressive right before the student went flying
5. According to the airport's management, Flightpath's Director 'had been chased over a period of months for payment' of due sums and 'given a number of payment plans, all of which were not followed'
6. According to at least one witness, Flightpath's Director asked for additional payments in cash, in order to continue flying, after a price had been agreed for a course and a payment had been made

in response to your question, 'why didn't the CAA mention its Fitness of character policy in all its correspondence with the complainants on the case?' To date, the CAA has received no direct reports or any credible evidence that would indicate Flightpath Aviation, or those associated with managing its operations have breached aviation safety regulations. Prior to your enquiry we were not aware of any work by Action Fraud or county court judgements obtained by individuals. Therefore we have not

In an email exchange about the case, on 27 March 2023 the CAA told *Pilot* that it had received no direct safety reports about Flightpath

However, in July 2022 the mother of a young student had emailed the Authority highlighting specific safety concerns – notably her son being pressured to fly when he did not want to [email sent to the CAA by a complainant]

23/06/22 approx. 13:45: [redacted] arrived at Flightpath and they had a Grob 115 aircraft open and [redacted] was angry and told him off for being late and was aggressive about him looking elsewhere. He was made to wait another hour and was told the aircraft would be ready to fly. The engine cover was still open, which wasn't reassuring. It took an additional hour to become airborne. [redacted] had messaged me and I had told him not to go ahead with this lesson but [redacted] was pressured by the four members of staff present.

24/06/22: I wrote to Flightpath asking for a refund (Exhibit 3.6) as I was not happy that the aircraft could be suddenly fixed when they realised, they would lose custom and especially when they maintain the aircraft internally on site. We agreed to allow him to charge the full rate for the hours he managed to clock as opposed to the discounted rate (Exhibit 3.6). The emails were pointless as

safety issues. However, the Authority says that it 'has received no direct reports' about safety issues, and therefore it did not investigate.

Overall, it is likely that the CAA breached its own policies in dealing with the whole case, and in the

process it definitely managed to disappoint a large number of students. A detailed explanation by the Authority of what went wrong, and why – along

with an institutional shake-up and a reimbursement of damages – would not be unwelcome.

Flightpath's view

Pilot asked Flightpath's Director to explain his actions and received the following reply: 'The owners of the airfield terminated the property lease of Flightpath and its ability to operate [after a prolonged dispute, see box above, point 5]. At that point the Company was legally required to suspend trading and financial transactions of any description according to professional advice received. The Company has been seeking a solution to this problem over the winter, with the hope to resolve matters very soon and prior to the start of the new flying season. Whether this means relocation, amalgamation, or permanent closure is still unknown. Until a solution is found everyone concerned is being kept up to date via emails, and continuity of flights for some customers has already been assured.

'The Company is not aware of any County Court Judgements being awarded against it, and can only surmise that any such Judgements must have been entered by default, ie without a defence being received or considered. As we are sure you are aware, a report to Action Fraud does not confirm any wrong-doing nor would necessarily lead to any investigation.

'The Company has been extremely grateful for the support and understanding of the vast majority of customers during this very difficult time. Everyone involved with Flightpath continues to work hard to find a resolution for all concerned all whilst managing resultant personal crises, and to try to ensure that no one loses out.'