



# PAX Rejection Memo Reduction

## Industry Initiative

Monthly Report -July-2021

## Background

The Passenger Rejection Memo Reduction initiative is endorsed by the IATA Financial Committee to reduce the number of unnecessary passenger rejection memos in the industry.

The IBSOPS Working Group intends to achieve an industry-wide target of reducing the rejection rate by 32%, by the year 2020. **Due to the COVID-19 Global Pandemic, this initiative is now considered closed and the IBSOPS WG will monitor internally ongoing trends to identify misuse and propose best practices. Once the related passenger interline invoicing volumes begin to stabilize, a new target will be proposed by the IBSOPS WG.** The IBSOPS WG and Rejection Reduction Team have undertaken several actions to reduce the number of passenger rejections, such as:

- Introduce New Validations in SIS
- Changes in the RAM rules that impact rejections
- Multiple presentations/workshops at industry meetings
- Continuous reporting and communications to the industry
- Publication of Best Practices Document
- IBS OPS recommendations to industry on handling of rejections

The purpose of this report is to track the monthly trend of Passenger Rejection Memos in SIS and provide a comparative analysis of the rejection memo counts of previous months.

This "SIS PAX Rejection Memo Reduction" report includes SMI "I", "M" and "B" billings only (settlement methods through "ICH", "ACH Using IATA Rules" and "Bilateral").

The report covers Non-Sampling analysis only and Source Code 31 Rejection Memo Analysis.

### Notes:

- All SMI-A (Settlement through ACH using ACH rules) data is excluded from this report.
- All Sampling data is excluded from this report.



## Executive Summary

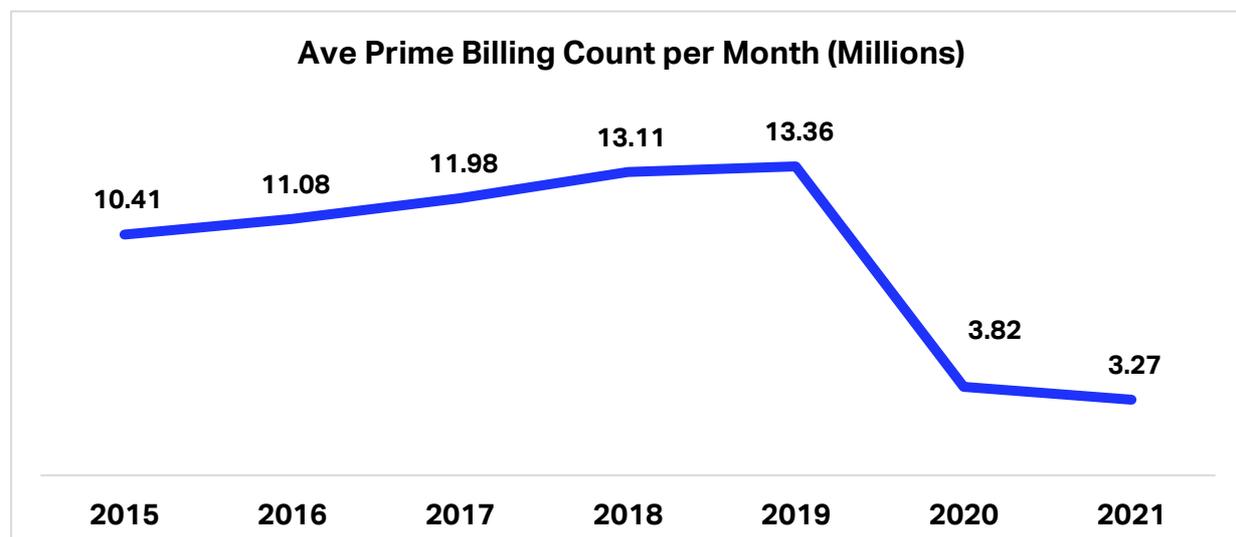
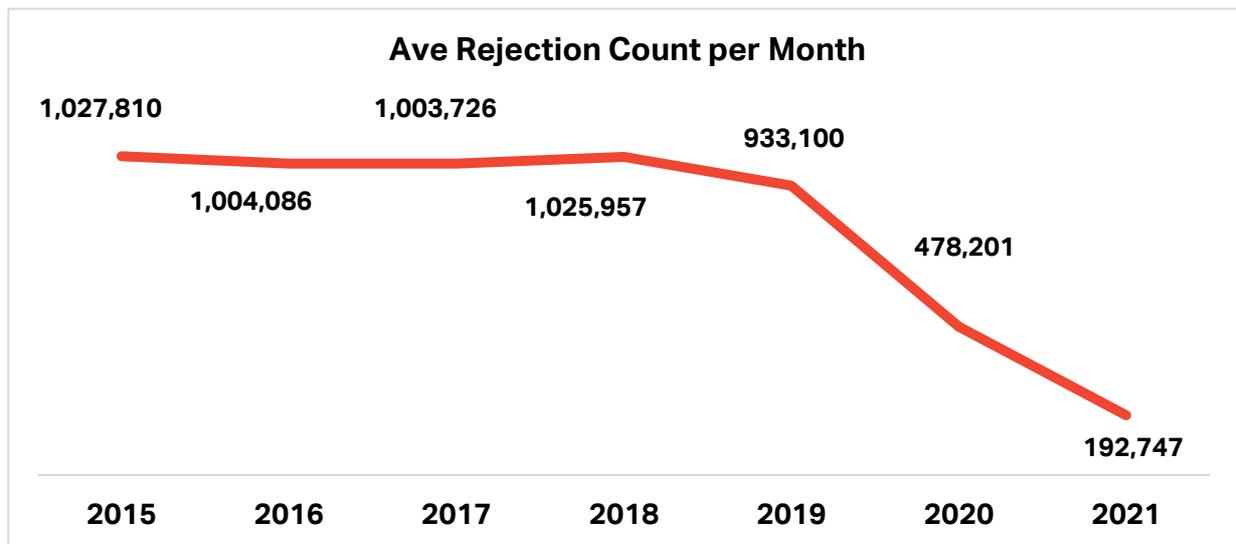
For the month of August 2021, there was an increase of **14%** for the prime billings compare to last month.

The volume at stage 1 rejection increased by 12% compared to previous month. There has been an increase of 2% regarding stage 2 rejection and a decrease of 18% regarding stage 3 rejection.

**Due to the recent increase of passenger interline transaction volumes, this report no longer considers the RAM time limits for the multiple passenger transaction type.** The RAM time limits (which is the "lag" between the relevant transaction types in accordance with the RAM rules) were removed from the formulae and the ratios of this report are calculated as they were pre-COVID-19 impacts.

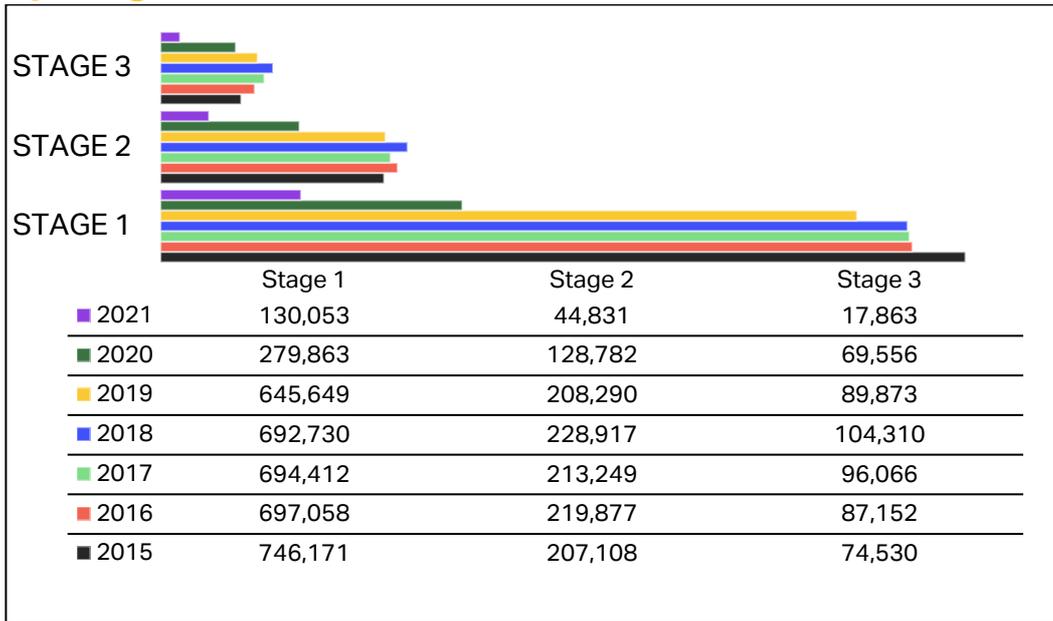
## Average Rejection Counts and Prime Billing Counts per Month

The charts below show the average monthly rejection counts of all three stages and the average monthly prime billing count (2015 – 2020). The reduction in these averages is due to the impact of COVID-19.





## Analysis by Stage

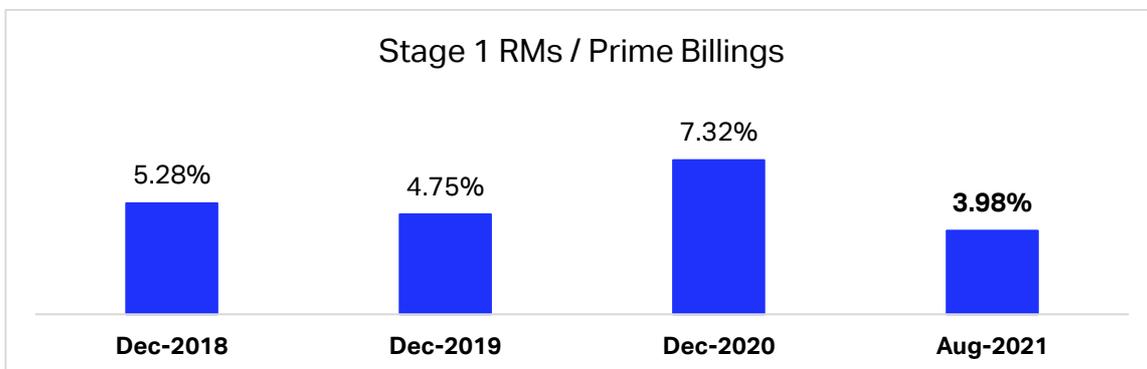


- The average monthly count of 1<sup>st</sup> stage rejections has decreased in comparison to the previous years and is now **83% lower** than 2015.
- The average monthly count of 2<sup>nd</sup> stage rejections is now **78% lower** than 2015.
- The average monthly count of 3<sup>rd</sup> stage rejections is now **76% lower** than 2015.

## Stage 1 Analysis - Estimated Percentage of Rejected Prime Billings

The chart below illustrates the estimated percentages of rejected prime billings. The percentages are calculated by dividing the sum of 1<sup>st</sup> stage rejections of the previous 12 months by the sum of prime billings for the same period (formula shown below).

Based on this calculation, approximately **3.98%** of the prime billings were rejected in the past 12 months. The proportion of Prime Billings that are being rejected has been decreasing continuously over the past 3 years.



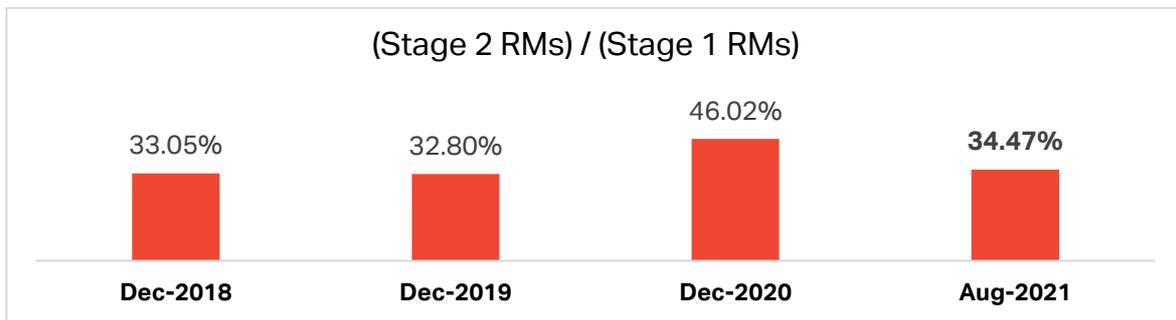
$$\text{Estimated \% of rejected prime billings} = \frac{\text{Sum of Stage 1 RMs of past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%$$



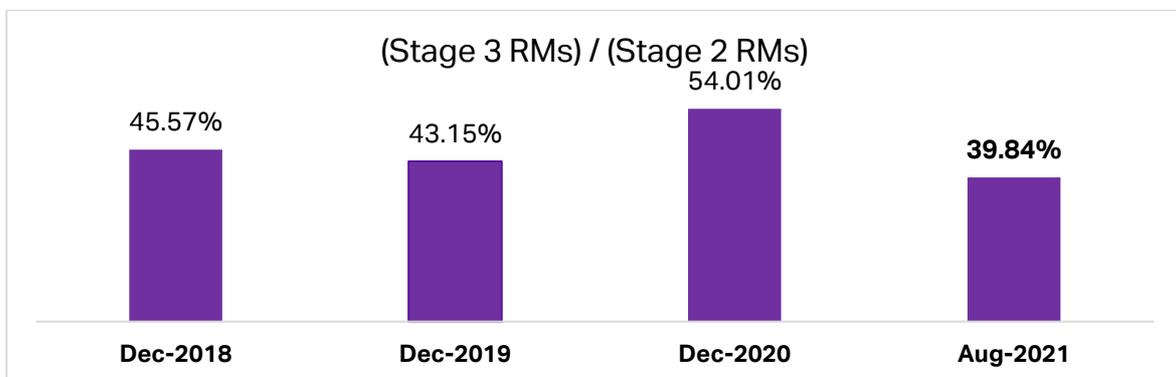
## Stage 2 & 3 Analysis - Estimated Percentages of re-rejected Stage 1 and re-rejected Stage 2 Rejections

The percentage of 1<sup>st</sup> stage rejections which are re-rejected is estimated by dividing the sum of 2<sup>nd</sup> stage rejections of the previous 12 months by the sum of 1<sup>st</sup> stage rejections for the same period. The calculated percentages are plotted in the first chart below. Approximately **34.47%** of the Stage 1 rejection in the past 1 year were rejected back 2<sup>nd</sup> stage.

The percentage of 2<sup>nd</sup> stage rejections which are rejected back 3<sup>rd</sup> stage is estimated in a similar way (formulas shown below) and plotted in the second chart below. Approximately **39.84%** of the 2<sup>nd</sup> stage rejections in the past year were rejected back 3<sup>rd</sup> stage.



$$\text{Estimated \% of rejected Stage 1 RMs} = \frac{\text{Sum of Stage 2 RMs of past 12 months}}{\text{Sum of Stage 1 RMs of past 12 months}} \times 100\%$$



$$\text{Estimated \% of rejected Stage 2 RMs} = \frac{\text{Sum of Stage 3 RMs of past 12 months}}{\text{Sum of Stage 2 RMs of past 12 months}} \times 100\%$$



## Source Code 31 (Involuntary Reroute) Analysis

The table below shows the count of Involuntary Reroute rejections per month from **September 2020** to **August 2021**. The columns in the table represent the months in which the prime billings of these rejections were billed, and the rows represent the months in which the prime billings were rejected. The table also shows the Total number of SC31 prime billings per month.

There were **69,841** rejections raised against **301,498 SC 31 prime billings** that were issued over the period **September 2020 to August 2021**.

The last row represents the percentage of SC31 prime billings which are rejected.

Month of Prime Billing:									
Month of Rejection:	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	Total
Sep-20	924								924
Oct-20	4,644	945							5,589
Nov-20	505	4,438	762						5,705
Dec-20	351	1,003	5,796	2,841					9,991
Jan-21	247	524	613	7,665	1,011				10,060
Feb-21		329	509	2,236	6,161	1,751			10,986
Mar-21	1	1	331	1,088	2,154	3,849	1,074		8,498
Apr-21				597	1,034	2,468	3,935	1,249	9,283
May-21				3	614	499	1,192	4,510	6,818
Jun-21						316	504	760	1,580
Jul-21							127	136	263
Aug-21								144	144
<b>Total RM's</b>	<b>6,672</b>	<b>7,240</b>	<b>8,011</b>	<b>14,430</b>	<b>10,974</b>	<b>8,883</b>	<b>6,832</b>	<b>6,799</b>	<b>69,841</b>
<b>Total Prime Billings</b>	<b>23,005</b>	<b>26,146</b>	<b>32,675</b>	<b>57,314</b>	<b>51,768</b>	<b>38,033</b>	<b>36,541</b>	<b>36,016</b>	<b>301,498</b>
<b>Rejection %</b>	<b>29%</b>	<b>28%</b>	<b>25%</b>	<b>25%</b>	<b>21%</b>	<b>23%</b>	<b>19%</b>	<b>19%</b>	<b>23%</b>

Note: The above table represents up to prime billing month April 2021, before which no further rejections can be raised. Source code 31 coupons billed from May 2021 and onwards are still within the rejection time limits and hence not included in the table.

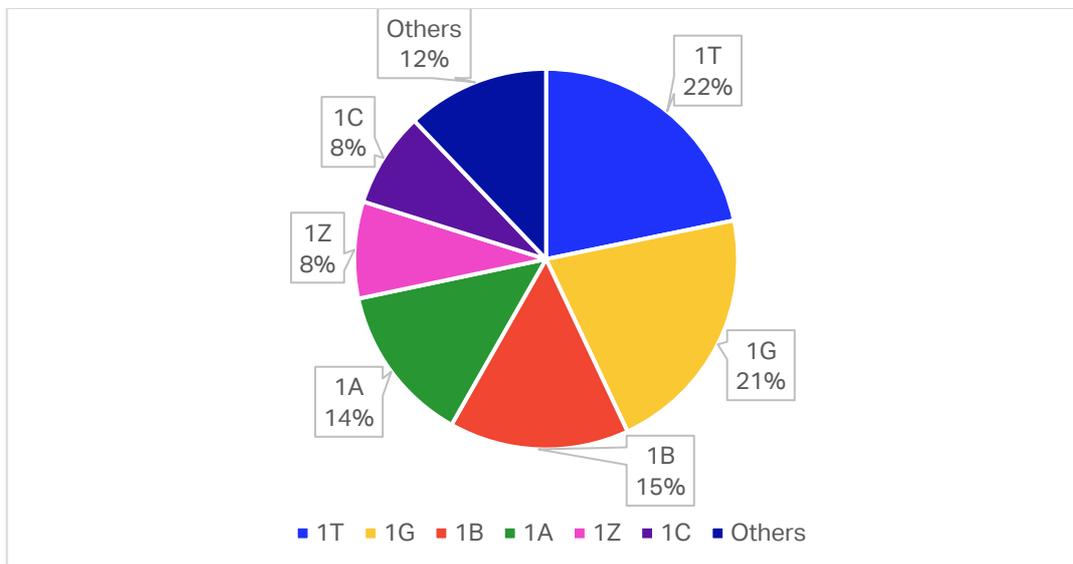


## SC 31 Rejection Memo Reason Code Analysis

The table below shows the Top Reason Codes for rejection memos (all stages) related to SC 31 prime billings.

The **top 6 reason codes** represent about **88%** of all SC 31 rejections.

Reason Code	Reason Description	All Stages 2021	% of Total RMs
1T	Involuntary Rerouting Tax Difference	15,279	22%
1G	Tax Reclaim	14,922	21%
1B	Fare Reclaim	10,434	15%
1A	Fare/Tax/ISC	9,388	13%
1Z	Involuntary Rerouting Fare Difference	5,709	8%
1C	ISC Reclaim	5,636	8%
All Other Reason Codes		8,473	12%
Total		69,841	100%



The IATA Rejection Reduction team remains available to support you throughout this initiative!

We can be contacted at: [RejectionReduction@iata.org](mailto:RejectionReduction@iata.org)

Keep updated with this initiative and its resources on our [website](#)