

Southwest Promises to Reimburse Customers Affected by Meltdown

CEO Bob Jordan said the airline would make other goodwill efforts



Southwest passengers waited for assistance with lost luggage at the William P. Hobby Airport in Houston this week.
PHOTO: BRANDON BELL/GETTY IMAGES

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Southwest Airlines Co. said it would reimburse customers for many types of reasonable expenses they have taken on after the airline canceled close to 16,000 flights since last Thursday, leaving people stranded across the country.

Southwest has canceled another 2,363 flights Thursday thus far, according to data from FlightAware. The company said it would restart regular flights Friday after flying a reduced schedule over the past few days.

Some Southwest passengers spent thousands of dollars getting to their destinations or were stuck on the road when their holiday travel plans were disrupted by the airline's meltdown. Their costs have come from booking last-minute tickets at a premium, and reserving hotel rooms and rental cars.

Travelers are saving their receipts for refunds and reimbursements, but how much they get back will be up to Southwest. In coming weeks, Southwest's decisions on reimbursements will affect the finances of thousands of travelers, its own reputation and potentially its standing with the Transportation Department.

Southwest executives said Thursday these reimbursements will take a number of weeks. Travelers who experienced cancellations or significant delays between Dec. 24 and Jan. 2 can submit receipts for reimbursement by following instructions on the airline's website.

The airline said they are working on internal guidelines to automate as much of the process as possible, and are focused on covering reasonable requests including for hotel and rental-car costs. Reimbursements for extenuating circumstances will be handled on a case-by-case basis, they said.

"The philosophy is 'Take care of our customers,' because we've inconvenienced them significantly in many cases," Chief Executive Bob Jordan said.

Airline passengers are entitled to a refund of the ticket price and fees if an airline cancels a flight and they choose not to travel, according to the DOT. Federal regulations also require airlines to provide compensation if

checked baggage is lost, damaged or delayed. For domestic flights, the maximum liability amount allowed for mishandled baggage is \$3,800.

Additional reimbursements, such as for hotels or rental cars to get to a destination, depend on an airline's policies and whether the delay or cancellation was in the airline's control.

In the U.S., there are no federal laws establishing a standard for ancillary damages when a flight is canceled or delayed, said Erin Applebaum, a partner in the law firm Kreindler & Kreindler's aviation practice. Passenger reimbursements are usually negotiable between the airline and passenger, she said.

"This is going to be a tough one because there's no precedent for the scale of reimbursement requests," she said.

In October 2021, flight cancellations and related customer refunds cost Southwest \$75 million, according to a regulatory filing from that month. Southwest canceled more than 2,000 flights between Oct. 8 and Oct. 13 of that year. Comparatively, the airline has canceled nearly 16,000 flights since Thursday amid its latest meltdown.

The Transportation Department will look to see that Southwest meets commitments, a DOT spokeswoman said. In September, the DOT published a dashboard laying out the customer-service policies each airline committed to when flights are canceled. For cancellations in its control, Southwest committed to meal cash or vouchers, and applicable hotel accommodations and ground transportation for passengers stuck overnight.

If the DOT finds evidence that Southwest didn't meet these obligations, it will hold the airline accountable, including pursuing fines, a DOT spokeswoman said.

Katharine Suski's family, who live across the Midwest, planned a trip to Arizona to get together for the holidays flying Southwest.

In total, the Suski family spent \$755 to rebook their son and his girlfriend on a Delta flight along with \$500 to stay at a hotel. They also paid for multiple Ubers to the Phoenix airport to retrieve checked baggage that was delayed in getting to them.

"We're privileged that we had the money on our credit card and we could do that," she said.

Mrs. Suski said her family has received a roughly \$255 refund from Southwest for canceled flights. She also received an email from the airline saying that they would be providing her a "LUV" voucher that could be applied to the cost of a future flight, but she has yet to receive it. She will try to claim \$1,640 in compensation for additional airfare they had to buy plus other fees via Southwest's website when they have access to a computer after their trip.

In response, a Southwest spokesman pointed to Mr. Jordan's video statement on Tuesday and encouraged customers to submit receipts.

Travelers reported seeing one-way fares for thousands of dollars on other airlines as they searched for alternate ways to get to their destination. Others rented U-Hauls to drive across the country when rental cars were unavailable.

Airlines are required to deliver "prompt" refunds, which is defined by DOT as being within seven business days if a passenger paid an airline with a credit card. Southwest has created a form on its website for customers to request refunds for flights that were canceled. On its website, the carrier says customers seeking reimbursement for additional expenses they incurred can submit receipts for consideration via email.

Ashley Rayborn, her husband, Chris, and their four children plan to drive 25-plus hours home to Phoenix after getting stuck in Lexington, Ky., while visiting family. Mrs. Rayborn said they planned to fly home Christmas Eve,

but their flight was canceled as they were about to check their bags at the Louisville airport.

She was able to rebook for Dec. 29, but after that flight was canceled, she decided to accept a \$1,400 reimbursement for the six one-way fares.

The family spent about \$1,500 on two rental cars and Mr. Rayborn will lose about \$1,700 for missing a week of work as a general contractor. The additional cost of hotels and food was about \$1,500 last time they drove to Phoenix. The kids, age 6 to 13, missed out on Christmas because the family thought they would be back in Arizona.

“We make enough to get by and have a fun life, but this is draining every penny we have saved,” said Mrs. Rayborn, an elementary school secretary.

She plans to submit her receipts to Southwest.

Tips for Southwest customers looking for reimbursement

Keep your receipts. Southwest can and likely will ask for proof of all expenses incurred as a result of the continuing meltdown. Make sure to keep all receipts, whether it is the bill for a hotel you stayed in unexpectedly or the water bottle you bought at the airport.

Take screenshots. Southwest has said it would honor reasonable requests from customers regarding reimbursement for additional expenses incurred amid the wave of cancellations. Having screenshots showing the comparable costs for hotels and other flights could help in negotiating a reimbursement.

Contact them via multiple methods. Many customers are experiencing long hold times or busy signals when trying to contact Southwest by phone to resolve issues. Contact the airline via social media and online chat tools.

—Alison Sider contributed to this article.

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