



## Air Canada (TSX:AC) Might Deny Your Refund Request

### Description

One of the things that we can learn from nature is that survival is a brutal thing. When an organism is trying to survive in a harsh environment, and when the odds are against it, it will do anything to survive, which includes hurting others.

That's not quite the case with **Air Canada** ([TSX:AC](#)), but it's close enough. The corporation has made many decisions since the pandemic started that have adversely affected people — all of it in the name of survival. Perhaps the harshest of those decisions was to lay off half its staff, affecting at least 20,000 workers. Despite being a brutal decision, it was at least understandable.

That's not like Air Canada's decision to *not* refund people who bought tickets for the regional flights it slashed.

### Air Canada leaves regional passengers stranded

When Air Canada announced its decision to slash regional flight routes and close off eight local stations, it affected a lot of regional travelers who felt like they have been left stranded. Regional airlines don't have the scale to successfully fill in for Air Canada. Even if they somehow make do, there would be no avoiding the high cost.

Either way, the people in the regions where Air Canada suspended its flights are likely to suffer. People who need to travel in and out of those regions and have already bought the tickets now have to ask for a refund from Air Canada and buy a ticket for a regional airline, which might be at a higher price.

Only [there is no refund](#). Air Canada has not only left people stranded, but it's also refusing to refund them the money. Instead, it's offering them flight credit without a hint of irony, because these people *will* not be able to use that credit in the first place since Air Canada has suspended regional flights.

That's a new low for the company. Even if it's for the sake of survival, not refunding locals after creating difficult circumstances for them by canceling flights is way out of the bounds of propriety. It wouldn't be surprising to see government stepping in here and mandating refunds; for example, E.U.

regulators stepped in, and Air Canada had to refund its European travelers.

## How it impacts the stock

It's unlikely that investors would sway towards or away from Air Canada stock based on the morality of its decisions. They will likely see the stock through [quantifiable factors](#) and its future prospects, but even they don't seem very promising right now.

A flight that departed from Toronto on June 26 has been flagged for possible virus exposure, and the government has been contacting people on the flight to see if any of them have developed symptoms. Even a couple more cases like this might urge people to abstain from traveling, delaying Air Canada's organic recovery even more.

## Foolish takeaway

Senate is discussing whether or not Canada is ready to handle a second wave of the pandemic. There might not be a second wave at all. Instead, it could be small outbreaks that could be locally contained. Unfortunately for Air Canada, both situations would be bad for business. And if the government has to keep directing its resources towards initiatives like CERB and CWB, it may not be able to bail the airline out.

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