HMRC - VATSC82040 - British Airways (Court Of Appeal 1990 STC 643)

BA supplied zero-rated flights for a single price - this included the provision of in-flight catering that HM Customs & Excise assessed as being a separate standard-rated supply to that of the zero-rated flight. The case went to the Court of Appeal who decided the catering was provided for the comfort and convenience of passengers in the same way as magazines, cushions etc. Therefore the catering was integral to the main supply of the flight and a single composite supply was being made.

The main indicators for the decision were:

The provision of catering was an aspect of the quality or grade of flight supplied.

The meal was provided regardless of whether the customer wants it - unlike a train journey, where a ticket for travel is purchased separately from any catering, a customer could not ask to obtain a flight without a meal.

The airline was not contractually obliged to provide the meal.

Customers were not entitled to a refund if they didn’t get a meal.

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