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CLAIMS PROCESSING IN PASSENGER TRANSPORT

How transport operators are using Legal-AI and automation to drastically cut legal spending while boosting efficiency and accuracy in high-volume passenger claims.

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MASS LITIGATION IN THE AGE OF AI

Across Europe, rail and long-distance bus operators serve millions of passengers every year—connecting cities, supporting tourism, and offering low-carbon mobility alternatives. However, the very nature of high-volume passenger transport means that operators are regularly exposed to disruptions. Delays, cancellations, missed connections, personal injuries, and service quality issues frequently give rise to compensation claims under national laws and EU regulations such as EC 1371/2007 for rail and EC 181/2011 for bus travel.

In recent years, the volume of these claims has surged. Contributing factors include better consumer awareness, claim-filing apps and agencies, and stricter enforcement by regulators. As a result, transport operators are now facing mass litigation scenarios, particularly when large-scale service disruptions affect thousands of passengers simultaneously. These cases often evolve from individual customer complaints into coordinated legal claims—especially when compensation is standardized and legally mandated.

For in-house legal teams, this shift presents a significant operational challenge. Managing tens of thousands of simultaneous claims strains both legal and customer service resources. Manual processes, fragmented systems, and inconsistent documentation make it difficult to respond within required timeframes, increasing exposure to fines and reputational risk. Additionally, the need to coordinate with multiple internal departments (e.g. operations, risk, finance) and external counsels adds further complexity.

Ultimately, rail and bus companies are under pressure to modernize their legal operations to handle this new litigation reality — one defined by scale, speed, and scrutiny. The traditional, case-by-case approach is no longer sustainable. What's needed now is a more integrated, automated, and data-driven response to mass litigation —transforming legal workflows from reactive burden to strategic advantage.

Status Quo

Rail Passenger Claims:
Compensation, Baggage Claims, Injury Claims, Refund Requests

Facts:

- 8.3 million delay compensation claims were closed by UK rail operators between April 2024 and March 2025—a 9% increase from the previous year.

- 99.1% of those claims were closed within 20 working days

- 81.6% of closed claims were approved

- In the British financial year to April 2023, payouts for delays surpassed £100 million, marking a 155% rise from the prior year

- 7.6 million delay compensation claims were settled in the year to April 2024 —an increase of 30% while passenger volumes rose by just 16% (depending on complexity of contested cases)

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FINANCIAL EXPOSURE & IMPACT

A study of British rail operators—informed by broader EU standards – showed that compensation payouts range from 0.3% to 1.8% of ticket revenue, depending on journey length and passenger engagement. Long-distance operators paid closer to 1.8% on average.

Service Reliability & Disruption Rates

Across 25 major European rail operators, only 32% achieved punctuality above 80%, using a tight 5-minute delay definition. Many operators don't publish cancellation data.

Processing Times & Claims Handling Challenges

Unlike the UK's ORR, EU-wide claim volume and resolution time statistics are not publicly aggregated at continental scale. However, national reports reflect widespread compliance frameworks requiring reimbursement within 1 month, with automated claims increasingly encouraged.

Metric	Claim Volume	Resolution Speed	Approval Rate	Compensation Paid
Rail (UK)	~8.3 million/year	~99% within 20 working days	~81–83%	£100M+ (2023)
Bus (EU long-distance)	No aggregated EU volume available	Not standardized	Claims escalate when re-routing/refund absent	Up to 50% fare

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Summary Table of Key EU-Level Metrics

Metric	EU-Wide Context / Estimate
Compensation rate	25 % refund (60–119 min delay); 50 % refund (≥ 120 min)
Compensation payout (ticket revenue share)	~0.3 % (short journeys) to ~1.8 % (long-distance)
Punctuality above 80%	Only ~32 % of operators meet this standard
Public claim resolution metrics	Not centrally published—but standard rule: reimbursement within 1 month
Available escalation routes	National enforcement bodies, consumer centers, EU small-claims procedures

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THE RISING TIDE OF PASSENGER CLAIMS IN RAIL AND ROAD TRANSPORT

Legal teams in passenger transport face new challenges driven by both external factors and more demanding internal requirements.
Here are some of the issues that are currently leading operators to reshape their operational landscape.

Mounting Number of Passenger Complaints

Rail and Bus operators are expected to ensure the reliable and timely transportation of passengers under agreed terms, yet several factors – weather, strikes, technical or logistic constraints– inevitably cause delays and cancellations.

Stricter regulations combined with passenger awareness, and simplified digital procedures contribute to a surge in passenger claims. Citizens retain multiple escalation options if rail carriers delay or undercompensate, including complaints to national enforcement bodies and out-of-court settlement procedures.

Under EU Regulation 181/2011, coach passengers on regular services over 250 km are entitled to up to 50% ticket price compensation for delays exceeding 120 minutes – or if refund or rerouting options are not offered. And in accordance with Regulation (EU) 2021/782 (effective from 7 June 2023), EU rail passengers are entitled to: 25% refund for delays of 60–119 minutes, 50% refund for delays of 120 minutes or more. Nations like Austria explicitly require bus companies to organize overnight accommodation and refreshments for long delays or cancellations.

Passenger rights enforcement and claims in rail and bus services can escalate to legal processes when reimbursement or re-routing options are inadequately offered. Scale of delay events drives mass compensation needs, especially for long-distance trains where significant payout liabilities exist. High claim volumes result in complex case management needs, especially during systemic disruptions (e.g. strikes or infrastructure failures).

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Decentralized Data and documents from Different Sources

The large number of claims is forcing transport operators to deal with an extremely high volume of fragmented and decentralized data. This poses particular challenges for legal departments and their outside counseling partners. Countless documents, whether printed or digital, must be reviewed and processed as part of the correspondence between the parties. Manually processing and evaluating this information is time-consuming, resource-intensive and error-prone, and it prolongs the process without added value.

Without intelligent systems that rely on a unified dashboard, it becomes hard to maintain a consistent overview of all incoming documents, gather precious insights to spot trends and make strategic decisions and centralize information in a single source of truth that supports both visibility and collaboration among all internal and external stakeholders.

Lack of Standardized Processes Across Borders

The transportation industry needs to deal with different national implementations—some member states grant exemptions or offer enhanced rights only in specific cases, complicating process standardization.

Compensation process complexity varies across operators and countries, requiring customized workflows and documentation. The effect for legal teams is tangible when it comes to staggering complexity and difficulties in distributing and enforcing guidelines.

Financial and Reputational Risks

Dealing with several parallel processes also makes it difficult for operators to make sure that all deadlines are met, leading to potential costs. Regulatory authorities impose strict timeframes (e.g. 20 working days in UK rail) and noncompliance is connected to the risk of penalties or enforcement escalation. Financial exposure may be significant and evident in, for instance, the UK rail industry with payouts exceeding £100 million annually.

Delays in processing passenger claims deteriorate the customer experience. Now more than ever, it is easy for dissatisfied passengers to publicly share their experiences and become detractors. Inefficient processes are therefore linked to reputational risk and direct loss of potential revenue by impacting customer loyalty and advocacy.

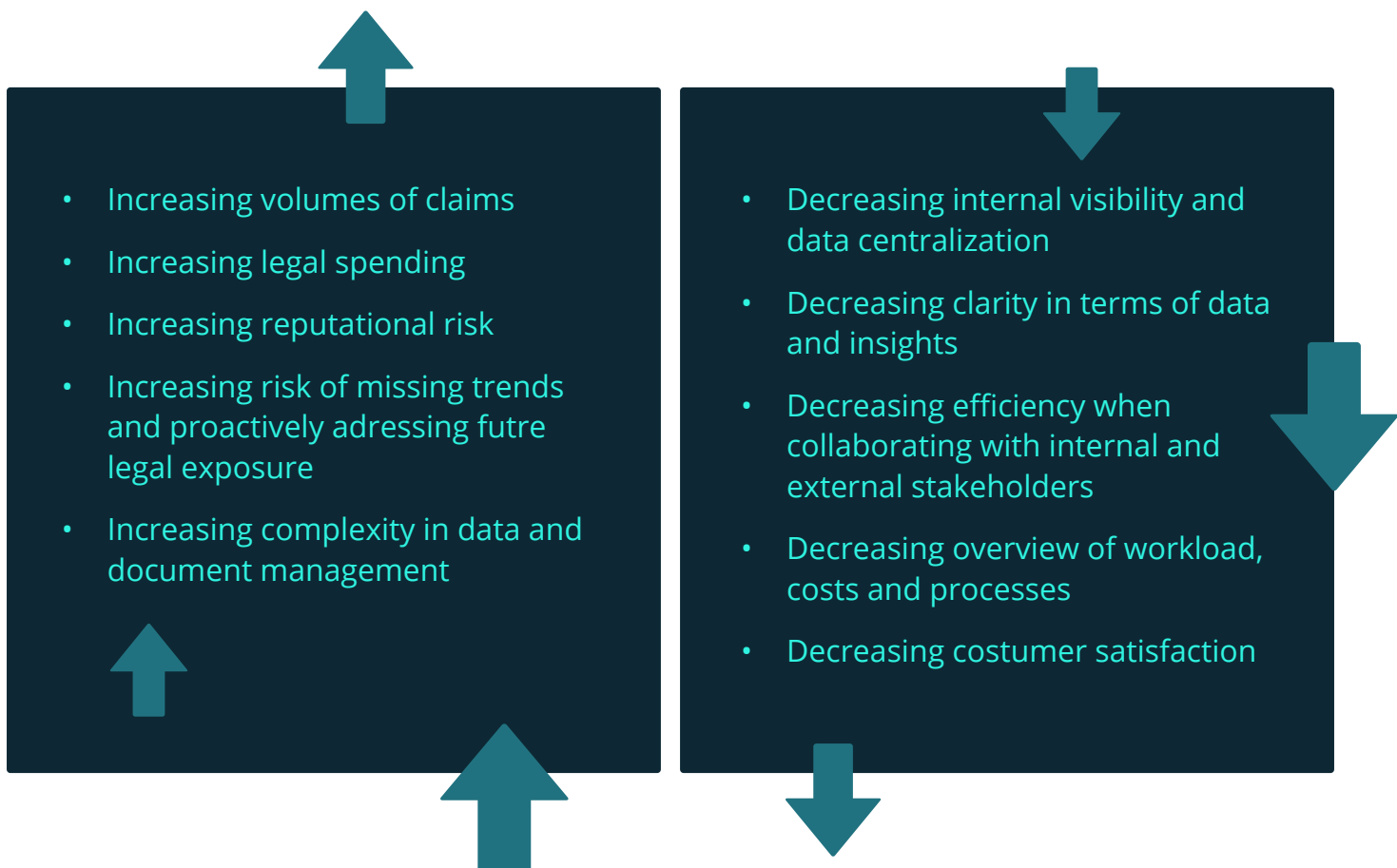## Inefficient Collaboration Leads to Delays and Duplicate Processes

Legal departments in mobility and transportation generally do not work on their own but collaborate with other internal departments as well as external counsels and legal managed service providers. However, current internal systems are often characterized by siloed structures and lack of infrastructure for collaboration.

This compartmentalization poses a risk of gaps, delays, poor Standard Operating Procedures (SOPs), and human error in knowledge transfer and task assignment. Working across multiple platforms or sending around documents back and forth is linked to slow review processes, duplicates, and a lack of overview of workload, status quo, and potential bottlenecks.

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Clear Need for Automation

Increased volume and complexity are linked to both inefficiencies and higher costs. To face such challenges legal departments in transportation are tapping into modern resources that leverage Artificial Intelligence (AI) and automated workflows in collaborative environments specifically developed to process mass litigation cases.

Operational burden—processing high claim volumes manually within strict timelines strains resources, increases risk of non-compliance, and makes coordinated legal response difficult.

- Increasing volumes of claims

- Increasing legal spending

- Increasing reputational risk

- Increasing risk of missing trends and proactively adressing futre legal exposure

- Increasing complexity in data and document management

- Decreasing internal visibility and data centralization

- Decreasing clarity in terms of data and insights

- Decreasing efficiency when collaborating with internal and external stakeholders

- Decreasing overview of workload, costs and processes

- Decreasing costumer satisfaction

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FROM THE GROUND TO THE SKY

A Concrete Example of Automation in Passenger Transport

Passenger claims don't just affect road and rail transport services. These were some of the challenges that also needed to be quickly addressed by a major German Airline Company. The company understood that it clearly was time to leverage AI-driven automation to modernize and streamline internal legal operations in order to become fully equipped to face current and upcoming challenges.

They realized the need for a comprehensive system that could also be simultaneously accessed by internal and external user groups, centralized, and capable of granting specific individual rights to different stakeholders in-

volved in the proceedings. This was the only way to ensure consistent compliance with data protection regulations, simplified workflows, and clear processes.

The key objective was to significantly increase the efficiency of claim processing while optimizing resources and spending. After all, faster completion time of procedures is also in the interests of customers.

Therefore, it became obvious that it was necessary to digitize and automate processes wherever possible. Simplifying cooperation with the courts, external counsels and payment service providers was also paramount. To achieve this level of digitalization, state-of-the-art modern AI-powered technology and language models became the obvious solution.

KPIs In Focus – The Impact of Automation

- Total Legal Spend
- External Counsel Spend
- Average Case Duration
- Time to Assignment and Response

- Cost per Claim
- Automation Rate
- Stakeholder Satisfaction
- Minimum Claim Backlog

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THE CASE FOR AI-POWERED AUTOMATION IN PASSENGERS CLAIMS MANAGEMENT

- Higher volume and increasing complexity trigger higher risk and costs. Given the mounting number of flights and subsequent eligible cases, manual handling becomes untenable.

- Under-leveraged obligations, processing delays, and slow communications are perceived as lack of transparency.

- The high volume of cases and lack of distinct case-by-case verification limits the opportunities to contest unjustified claims as well as handling justified claims quickly.

- Without automation, Airlines struggle with claim capture, consistency, and speed in collaborative processes.

- Automated workflows guarantee both compliance and proactive projections for strategic decision-making processes and automated reporting boosts visibility while allowing for optimization.

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CHOOSING A FASTER LANE WITH JUNE LEGAL AI AND AUTOMATION

Following an intensive benchmarking phase, the German Airline opted for JUNE's modular AI-powered case management and automation platform, which precisely met all the requirements for fast and efficient claim processing. Here is a short list of key requirements fulfilled by the platform.

Digitization of passenger claim procedures: Data Centralization and End-to-End Collaborative Processing

JUNE transforms unstructured content into structured insights, automates complex legal tasks and routine processes, and streamlines workflows – reducing legal workload by up to 80 %.
As a single source of truth, JUNE provides a uniform database for the entire legal workflow of the customer and their partner law firms. AI-driven workflows, document creation and real-time reports streamline daily tasks. Thus, JUNE is perfectly suited to managing the entire process chain – from claim receipt to closure – on a single platform. An AI-driven, central platform with no media discontinuity.

Compliance with all data protection requirements is guaranteed. JUNE is ISO 27001 certified and securely runs on a specially configured Azure infrastructure within the EU, which also includes all machine learning and GPT implementations.

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Automatic Data Extraction: Intelligent Acceleration and Smart Strategic Insights

JUNE transforms vast amounts of data into legal knowledge: using generative AI, Natural Language Processing (NLP) and Machine Learning (ML), the platform extracts and structures complex legal data, recognizes hidden connections, and converts unstructured information into actionable insights.

The Legal-AI extracts all essential information from all sorts of incoming documents and automatically recognizes postal documents and emails, identifies the document type and independently extracts relevant content, such as deadlines, dates and parties involved. These are then automatically assigned and processed, eliminating manual efforts.

AI also captures complex relationships within and across cases. In addition, users can employ prompting to create their own AI extraction for legal statements and complex issues. Thanks to its API connection to the operator's source system, JUNE can extract and structure all essential data within the entire digital ecosystem.

Intelligent Data-Driven Workflow Automation

In addition to data extraction, AI enables comprehensive, data-driven workflows, providing administrative support and facilitating legal value creation. JUNE understands the entire file inventory and acts as a personal assistant and knowledge provider in real time. The detailed, AI-supported evaluation of data paves the way for success analyses, search functions and automated processes, such as stakeholder management, deadline calculation, reporting and workflow control.

AI can also summarize and chronologically organize the contents of files, listing all claims, key arguments, and evidence. Thanks to sophisticated features such as the semantic full-text search, the AI engine not only finds similar cases or legal issues, but also the appropriate arguments in all available legal sources. Additionally, the smart assistant also provides support when drafting counter-positions and legal letters by selecting suitable arguments from the internal databank operators can create and manage within the admin interface.

Legal Defense Insourcing

JUNE transforms manual workflows into structured, data-driven and automated processes, thereby reducing the resources required for core tasks. Thanks to the significant increase in efficiency, airlines can now handle many first-instance proceedings themselves. Cases that were previously handled externally due to capacity constraints can now be concluded using internal resources. This significantly reduces costs and frees up capacity at the service provider for more complex cases.

Efficient Internal and External Stakeholder Collaboration and Faster Compensation

As a single source of truth and a uniformly integrated platform solution, JUNE eliminates media breaks and redundant work steps resulting from the use of separate systems by the customer and the external partner law firm. Once specific workflows are set up, they can be transferred seamlessly.

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Germany's electronic lawyer mailbox (beA) is also fully integrated into JUNE's workflows. This criterion was obviously vital for the carrier operating from Germany.
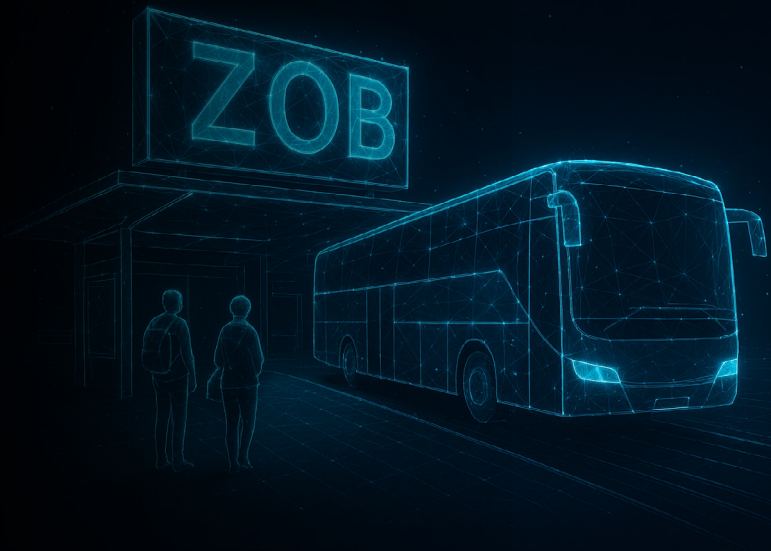
Incoming messages are automatically retrieved and transferred to the processing workflow. In JUNE, letters can be sent and attachments added directly from the file.

Thanks to the beA integration, the Airline has achieved one of its major goals: being able to transfer the entire process to beA, enabling collaboration between the legal department and the external service provider on a single platform, and accommodating the courts. Another priority was to eliminate analogue mail to enable faster and more efficient decision-making. The airline group has also achieved this with JUNE. Customers benefit from faster results and receive compensation more quickly for legitimate claims.

IMPLEMENTATION

The implementation required careful planning. However, when deploying such integral systems, it is normal to deal with a certain level of uncertainty as it is often difficult to have a full overview and map every single process in advance. After all, several departments ought to be involved in the process, and countless threads need to come together within a cohesive collaborative ecosystem. Therefore, it is sometimes necessary to quickly react to unforeseen challenges.

JUNE's team adapted implementation procedures to the specific situation of the Airline with bespoke measures. Alexander Erb, Head of Customer Success with JUNE explains: "The process at the Airline Carrier's was highly professional. We worked successfully with two proven passenger litigation experts who enabled us to quickly answer all our specific questions." Consequently, the go-live was achieved just nine months after the project inception.

One of the most important steps was integrating the data interface. This brings together the vast amount of data collected for each flight into a One Data Platform (ODP). This data then flows into JUNE, where it is processed and utilized. Another challenge was aggregating the large array of datapoints and eventualities in JUNE in a meaningful way.

"We gained a lot of valuable experience from this implementation process," says Alexander Erb. "We rethought and redeveloped some essential core JUNE components to better cater to the needs of customers with similar expectations. This also means that other Airlines we are currently onboarding can expect an even more expedite and structured implementation thanks to the insights and experience we have gathered."

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THE OUTCOME: MASS LITIGATION ON AUTOPILOT

Case Processing Takes Place Within Minutes

Currently, the airline uses JUNE primarily for incoming and outgoing mail and automatically triggered workflows. When a letter arrives, the AI engine extracts all the essential data and transfers it into the digital file which is then enriched with the relevant flight information from the connected databases. Once defined, workflows are then automatically triggered, and the relevant users are prompted to complete the corresponding tasks.

This clearly demonstrates the power of AI: cases can now be processed much faster, sometimes in just a few minutes with full control and a complete overview of each process. In addition, the team and external parties now have a shared platform for documents and activities, greatly facilitating collaboration. JUNE enables efficiency gains of up to 80%.

The airline also makes frequent and extensive use of reports and insights. These reports give the company constant and full control over its valuable data. External legal partners also concur and utilize the platform for their own reporting and for closely monitoring case management processes while leveraging features connected to templates and report customization.

Customer Experience and Reputation

Not surprisingly, the German Airline presented in this whitepaper is now often cited as an exceptional example when it comes to best practices in claim handling by several authoritative industry sources.
And this also impacts its image with customers, their trust, and their opinion. Whereas the short and mid-term impact of Legal-AI is seen in efficiency and costs, the long-term impact is visible in increased customer loyalty and ultimately increased revenue from the core business: providing transportation for happy passengers.

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YOUR TICKET TO
AI TRANSFORMATION

As presented in this whitepaper, AI-powered transformation is inevitable. Therefore, it is highly recommended that you also look into potential areas of optimization within legal processes.

JUNE's team is primarily made of legal and AI experts that can guide you through the discovery of concrete solutions to improve efficiency and customer satisfaction.

With focus on scalability, JUNE has been set up in such a way that rolling it out to subsidiaries or extending the platform capabilities for lawsuits in other countries can be done with minimal additional effort. JUNE can therefore easily be adopted to intelligently automate workflows across all legal operations with internal and external stakeholders.

A free consultation will help you understand what objectives your company will achieve through AI-Legal automation.

START YOUR JOURNEY NOW

www.june.tech/contact

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SUMMARY OF POTENTIAL BENEFITS FOR YOU AND YOUR PASSENGERS

Challenge: High-volume, repeatable claims requiring fast SLA-bound responses

Metric	Pre-Automation	Post-Automation	ROI Impact
Processing Cost per Claim	€15–€50	Potentially down to €3–€8	Up to ↓ 80% per claim
Response Time	10–36 days	Potentially <72 hours	SLA compliance, PR risk mitigation
Offloaded Cases (Legal Managed Services / Ext. Counsels)	20–25% of cases	Reduced to potentially <5%	↓ Legal spend by €1.5–3M/year
Outcome Quality	Delayed settlements	Faster, favorable resolution	Legal team success boost, increased customer loyalty

In a nutshell:

- More efficient case handling
- Faster case resolution time
- Lower internal costs
- Lower external legal spend

- Full control, visibility, and transparency
- Enhanced customer experience

Data sources:

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Brexit Legal Guide - "Consumer rights in transport", 2023

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All visuals in this whitepaper were generated using
ChatGPT (OpenAI)

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