Air Canada chatbot

IMPLEMENTED 2022–2024 · TRANSPORT AND LOGISTICS · CANADA · BAND F · PROVED
VERSION 1.2 · PUBLISHED 15 NOVEMBER 2026 · UPDATED 15 NOVEMBER 2026 · FACTS CHECKED 15 NOVEMBER 2026

A website chatbot gave a customer wrong refund information; a tribunal held the airline responsible.

ABOUT THIS SYNOPSIS

This is MarLuc's summary and grading of publicly available sources, for information only. It is not investment, legal, financial or professional advice, and should not be relied on for any decision. Readers must validate it against the original sources and, where appropriate, challenge its conclusions.

Facts and figures are as reported by the sources listed below, which may be incomplete, self-reported or out of date. Check the original source before relying on any figure.

The impact band, proof marker and SEAM view are MarLuc's opinion. The organisation is not a MarLuc client and has not reviewed or endorsed this synopsis. Names and trademarks belong to their owners.

NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: AI output or malfunction; Weak oversight or controls.

AI and automation used: Automated customer service chatbot on the airline's website; how it worked is not reported.

Implemented: 2022–2024. Grade: band F, Failure, Proved.

Headline result, as reported: Tribunal held Air Canada responsible for its website chatbot's wrong advice and ordered it to pay C$812.02, February 2024

1 · The case

The facts, as reported by the 1 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

Air Canada. Canadian airline. The dispute was decided by British Columbia's Civil Resolution Tribunal under its small claims jurisdiction. Canvas block: 8. Governance and risk. Also 3. Customers and proposition, 6. Data and technology.

Business challenge

The challenge. Not reported. Air Canada did not provide the tribunal with any information about the nature of its chatbot.

How it was addressed. Air Canada offered a support chatbot on its website. In November 2022 the chatbot told a customer they could apply for a reduced bereavement fare within 90 days of the ticket being issued, while Air Canada's bereavement webpage said the policy did not apply

Who implemented it

Not reported

Technology (SEAM pillar E)

SEAM types: not established; the sources do not say how the system works. Deployment: Not reported. Vendors and products: Not reported.

Where it was built in: A support chatbot on Air Canada's website that linked to policy pages; Air Canada gave the tribunal no information about how it worked.

What changed

Before: the chatbot gave bereavement fare advice that contradicted Air Canada's own policy page. After: the tribunal held Air Canada responsible for all the information on its website, chatbot included, and Air Canada said it had noted the issue so it could update the chatbot. [1]

Cost of failure

C$812.02 ordered by the tribunal: C$650.88 in damages, C$36.14 in interest and C$125 in tribunal fees. Cost of the chatbot: Not reported.

What it saved

Not reported [1]

Governance and control

The tribunal found Air Canada did not take reasonable care to ensure its chatbot was accurate, and rejected its argument that it was not liable for the chatbot, saying the airline is responsible for all the information on its website. Owner, testing and review of chatbot answers: Not reported.

S2 · Accountable owner · Missing (independent source shows it was absent)
The tribunal held Air Canada responsible for all information on its website, including the chatbot's, rejecting the argument that it could not be liable; no named owner is reported. [1]

A1 · Safe use · Not reported
Not reported.

A2 · Human in the loop · Not reported
Not reported.

A3 · Monitoring and assurance · Missing (independent source shows it was absent)
The tribunal found Air Canada did not take reasonable care to ensure the chatbot was accurate; after the complaint, a representative said the airline had noted the issue so it could update the chatbot. [1]

A4 · Vendor AI · Not reported
Not reported.

A5 · Agent controls · Not reported
No agents described.

A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)
British Columbia's Civil Resolution Tribunal found negligent misrepresentation and ordered Air Canada to pay the customer $812.02 (Moffatt v. Air Canada, 2024 BCCRT 149). [1]

What worked, what did not, what is unproven

WORKED

– Not reported

DID NOT

– The chatbot gave advice that contradicted Air Canada's bereavement policy, which the tribunal found to be negligent misrepresentation.

– Air Canada's argument that the chatbot was responsible for its own actions was rejected; the tribunal called it "a remarkable submission".

– Air Canada did not provide the relevant tariff terms, so its contractual defence failed.

UNPROVEN

– What Air Canada changed in its chatbot after the decision: Not reported.

Timeline

Nov 2022 Chatbot gives a customer wrong bereavement fare advice [1]

Feb 2024 Tribunal holds Air Canada liable for its chatbot's advice [1]

2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Proved. Level of change: Not graded.

No level assessed: band F, a proved failure in a customer-facing tool. The decision shows a tribunal treating chatbot answers as the organisation's own statements.

The SEAM view and lessons learnt

The failure sat at the join between a customer-facing tool and the organisation's own policy: two parts of the same website said different things. The tribunal treated the chatbot as part of the website, so the airline owned its answers. For any mid-sized or larger organisation, a chatbot's answers carry the same weight as published policy and need the same ownership and checks.

1. Treat chatbot answers as company statements, with a named owner.
2. Test chatbot answers against current policy on high-stakes topics such as refunds.
3. When an error is found, correct it and put things right with the customer quickly.

Evidence

Score 3 of 4. Independent: a tribunal decision with written reasons.

Evaluation method. Court or tribunal finding: Moffatt v. Air Canada, 2024 BCCRT 149, decided on written evidence.

Status. Closed: tribunal decision of 14 February 2024.

3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/air-canada-chatbot

[1] Civil Resolution Tribunal: Moffatt v. Air Canada, 2024 BCCRT 149
https://decisions.civilresolutionbc.ca/crt/crtd/en/item/525448/index.do

Air Canada website: https://www.aircanada.com

Version 1.2 · Published 15 November 2026 · Updated 15 November 2026 · Facts checked against sources 15 November 2026 · Downloaded 26 November 2026. This PDF may be out of date: the latest version, and a way to report an error or a better source, is at https://marluc.co.uk/case-studies/air-canada-chatbot

VERSION HISTORY

v1.2 15 November 2026 Method update: standards and regulation (A6) relabelled "outside scrutiny" because the evidence is a regulator, court, auditor or similar body acting, not the organisation's own compliance. technology type set to "not established" where the sources do not say how the system worked.
v1.1 15 November 2026 Moved from band E to the new band F (failure); cost of failure shown.
v1.0 15 November 2026 First published