



Wanna Get Away? Fifth Circuit Reinforces a Powerful Tool for Early Dismissal of “No-Injury” Class Actions

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***Monahan v. Southwest Airlines*, No. 25–50559 (5th Cir. Apr. 16, 2026)**

The U.S. Court of Appeals for the Fifth Circuit continues to strengthen defendants’ ability to defeat consumer class actions at the outset of a case. In *Monahan v. Southwest Airlines*, the court reaffirmed that speculative “overcharge” theories — without a plausible, real world economic loss — do not satisfy Article III standing requirements.

For companies facing putative class actions based on hypothetical price inflation theories, *Monahan* provides a roadmap for early dismissal. If class action plaintiffs cannot plausibly allege that they paid more for products or services — or otherwise would have acted differently — based on real economic conditions, courts in the Fifth Circuit may dispose of such claims at the pleading stage.

Monahan Background

In *Monahan*, the plaintiffs sought to represent a class of airline passengers, alleging that Southwest breached contractual safety assurances relating to operations, training, and regulatory compliance. Importantly, the plaintiffs did *not* allege that they experienced any safety incident or were personally exposed to any concrete harm. Instead, they claimed that alleged safety shortcomings rendered their tickets less valuable than promised, resulting in an asserted “overcharge.” The district court dismissed the breach of contract claims for lack of standing, and the Fifth Circuit affirmed.

The Fifth Circuit’s Decision

The Fifth Circuit held that the plaintiffs’ alleged injury depended on a chain of assumptions about how disclosures of alleged aircraft

risks would have negatively impacted market pricing. The court emphasized that, contrary to the plaintiffs' assumptions, such disclosures more plausibly would have led to operational changes or withdrawal of service—not discounted prices. Without alleging plausible facts that Southwest's alleged non-disclosures somehow inflated the price of its airline tickets, the plaintiffs could not show they were financially harmed.

Critically for defense strategy, the court made clear that plaintiffs cannot manufacture standing by recharacterizing a speculative fraud theory as a breach of contract claim. Article III standing requires a concrete injury in fact, not an injury that exists only in legal theory. Where the alleged economic harm remains hypothetical, relabeling the claim does not cure the standing defect.

The plaintiffs sought leave to amend to add class members allegedly more exposed to the asserted risk. The court declined, holding that the problem was not who was in the class, but the fundamental nature of the injury theory itself. Where the theory of harm is speculative, expanding or reshaping the class will not save the case.

Why This Matters for Defendants

Monahan reinforces several practical points that defense-side litigators can deploy immediately:

- **Standing remains a threshold defense.** Courts may dismiss no-injury class actions at the pleading stage where the plaintiffs rely on conjectural market or pricing assumptions.
- **Contract claims are not a safe harbor.** Plaintiffs cannot avoid standing scrutiny by recasting speculative overcharge theories as breaches of contractual promises.
- **Discovery is not a prerequisite to dismissal.** The Fifth Circuit continues to reject invitations to allow discovery in the hope that plaintiffs might later substantiate an economic injury.
- **This reasoning should travel well.** Although *Monahan* arises in the transportation context, its standing analysis likely translates to cases involving alleged product risk, regulatory

noncompliance, and other theories not tethered to concrete economic loss. Other circuits may be less receptive to early pleading challenges, but the standing analysis is sound and should be explored in appropriate cases.

The Fifth Circuit appears to be sending a consistent message: courts in the circuit are unlikely to entertain class actions based on speculative “overcharge” theories, regardless of how plaintiffs style the claim. *Monahan* further cements standing challenges as a decisive tool to eliminate exposure before class certification and costly discovery.

For more information about this case and its implications for class action litigation, please contact the authors or any attorney with FBT Gibbons’ [Class Actions](#) team.

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