



THE EUROPEAN TRAVEL AGENTS'
AND TOUR OPERATORS' ASSOCIATIONS

PRESS RELEASE

Implementation of the package travel Directive – steering through troubled waters?

Brussels, 11/05/2017 - Industry and European legislators meet in Brussels today to discuss the implementation of the new package travel Directive. The new law is meant to provide further protection to consumers buying traditional or dynamic packages (packages put together by the customer) but also combinations of travel services.

As from 1 July 2018 the new package travel Directive will come into force all over Europe. The new legislation reinforces the rights and benefits that consumers already enjoy since the adoption of the package travel Directive in 1990, such as the extension of the consumer protection coverage from the traditional package holidays, to a wider set of travel service combinations. It also clarifies the financial protection enjoyed by consumers in case of failure of an organiser of holiday packages and suppliers offering linked travel arrangements.

Consumers have everything to gain. But will they? Implementation of the new rules into national legislation is fraught with difficulties. New definitions, more obligations on market players, complex rules that will need to be enforced by Member States in a constantly changing market environment and evolving business models.

Claudia Tapardel, MEP and co-chair of the European Parliament Intergroup for Tourism and Culture, is inviting key stakeholders and the European legislators to a Workshop to discuss the challenges faced by the implementation of the new legislation.

Said Merike Hallik, President of ECTAA: "The current package travel Directive is a good piece of legislation. While the legislation needed to be reviewed, the new rules raise a lot of questions on how they can be implemented and properly enforced."

Today's workshop will, among other, discuss the following questions: What is a package? What is a linked travel arrangement and how can a business know if it is selling a linked travel arrangement? Can a retailer still act as an intermediary or will it become a tour operator or a seller of linked travel arrangements? What will be the effect of the new liability and financial guarantee requirements on price of travel combinations in a market where the consumer is notoriously price driven?

Background information:

On 25 November 2015 the new package travel Directive (2015/2302/EU) was adopted, which will replace the existing rules applicable since 1990. The aim is to adapt the current rules to the changes in the market, enhance rights of consumers and level the playing field between those selling a combination of travel services in different ways.

The new Directive will have to be transposed by Member States by 1 January 2018 and will become applicable as from 1 July 2018.

The new Directive covers partly or fully the following travel combinations:

- Pre-arranged packages - ready-made holidays from a tour operator made up of at least 2 elements: transport, accommodation or other services;
- Dynamic or customised packages - holidays containing a selection of components selected by the traveller and bought from a single business online or offline;
- Click-through packages – combinations of travel services sold through separate websites where the name, e-mail address and payment details are transmitted from the first website to the subsequent one;
- Linked travel arrangements - looser combinations of travel services, for instance if the traveller, after having booked one travel service on one website, is invited to book another service through a targeted link or similar and the second booking is made within 24 hours. In such cases the traveller has to be informed that he/she is not being offered a package, but that, under certain conditions, his pre-payments will be protected.

The new Directive will provide the following reinforced rights:

- Supply of information: travellers must receive understandable information on the package and the protection they are granted.
- More predictable prices: establishment of a 8% cap for possible price increases by the trader, beyond which travellers have the right to cancel their holiday free of charge.
- Stronger cancellation rights: reasonable cancellation fees as well as free cancellation before departure in case of natural disasters, war, or other serious situations at the destination.
- Clear identification of the liable party: the organiser of the package has to deal with the problem if something goes wrong. This liability may be extended to retailers in some Member States.
- Clear liability for booking errors: traders will be made explicitly liable for booking errors in relation to packages and linked travel arrangements.
- Clarification on essential consumer rights: the organiser is required to assist travellers in difficulty.
- Financial guarantees: Money-back guarantee and repatriation if the package organiser goes bankrupt; these guarantees will under certain conditions apply also to linked travel arrangements.



ECTAA regroups the national associations of travel agents and tour operators of 30 European countries, of which 27 are within the European Union, and represents some 70.000 enterprises. It also has three International Members from Israel, Morocco and Tunisia.

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