

Press release

The future of package travel at stake

Tour operators concerned about the lack of ambition of the European Commission to review consumer protection throughout the whole travel value chain.

Brussels, 29 November 2022. At the ECTAA meeting in Thessaloniki last week, national associations, tour operators and travel agents expressed grave concerns about the direction of the legislative measures considered by the European Commission. Indeed, the European Commission is currently undertaking consultations in view of revising the Package Travel Directive and improving passenger rights. However, the options under review show little alignment between the measures imposed on tour operators and those on airlines.

Commissioner Reynders, whose portfolio includes consumer protection, has clearly expressed the intention to limit prepayments to tour operators in the review of the Package Travel Directive. However, there is no apparent interest in limiting prepayments to airlines in the review of passenger rights, which is under the responsibility of Commissioner Valean. This is demonstrating an obvious lack of understanding on how the travel industry works. Tour operators are not holding the customer money; they have to pay their suppliers, in particular airlines, who in most circumstances require advance payment in full.

Equally, whereas the Commission is considering to further regulate the protection of package organisers' insolvency, there are no concrete options under review to effectively regulate airline insolvency protection, despite the recommendation of the European Court of Auditors of June 2021 to extend the insolvency protection offered by the Package Travel Directive, including repatriation costs, to airlines under Regulation 261/2004.

Said Frank Oostdam, President of ECTAA: *"Limiting pre-payments and imposing insolvency protection on only one part of the value chain to the detriment of tour operators, which are mostly SMEs, will squeeze them out of the market. It will deprive consumers of an essential travel product, as package travel offers a high level of protection."* He added *"we call on Commissioners Reynders and Valean to align the measures through the whole travel value chain, if their goal is to really improve the protection of consumers."*

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About ECTAA

ECTAA represents some 123,000 travel agents and tour operators in Europe, which provide consultancy and sell transport, accommodation, leisure and other tourism services as well as combined products to leisure and business customers.

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