



Parliament wants to extend "package" holiday traveller protection

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Holidaymakers putting together their own "package" holidays from travel services sold on the internet or elsewhere need extra protection, as they are unlikely to get the same "all-in" cover as those buying from traditional travel agents, say MEPs. A draft law to be voted on 12 March aims to ensure that travellers are not stranded if an airline or travel operator goes bankrupt, protect them against sharp price increases or flight time changes and specify their rights in unforeseen circumstances.

On Wednesday 12 March 2014, Parliament will vote at the first reading on an update of the current travel package directive, in force since 1990.

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Background

Why are the rules being updated?

The current EU rules on package holidays date back to 1990. Since then, the growth in cheap flights and internet sales has significantly changed the way travellers plan and buy holidays.

The updated directive will clarify the rules to take account of new buyer behaviour and broaden the definition of package holidays to encompass most types of travel arrangements made up of various elements, so as to protect holidaymakers in the event of problems.

In 2011, online travel sales accounted for around 35% of all travel bookings. In March 2013 alone, nearly 183 million citizens visited an on-line travel website.

Although 23% of EU travellers still buy their package holidays the traditional way, more and more people make their own holiday arrangements on the internet through commercially linked traders. Such “combined travel arrangements” now account for 23% of the holiday market, roughly 118 million trips a year.

However, this new buying behaviour has made the current directive outdated, often leaving consumers in a legal grey area where it is no longer clear whether their holiday arrangements constitute a “package”. Also, practices that differ between member states can make it difficult for travellers to know their rights.

As a result, 67% of EU citizens mistakenly think that they are protected when buying these “new packages” when in fact they are not. Overall, EU citizens lose €1 billion a year due to lack of holiday protection, the average cost to travellers being almost €600 compared to less than €200 for traditional packages.

Background

Scope of the directive

The new rules will cover two types of contracts: package deals and “linked travel arrangements” (currently known as “assisted travel arrangements”. MEPs want to change this term as it is already being used with a different meaning in some countries and thus unclear).

Package holidays consist of two or more elements - such as flights, accommodation, car hire, guided tours or theatre tickets - bought from one single trader and paid for at the same time within the same booking process or offered at a total price.

Additional services purchased from separate traders through linked online booking processes where the traveller's name and other personal data (such as contact details, credit card details or passport details) are transferred between traders within 24 hours after the conclusion of the original sale should still be considered part of the same package, MEPs say.

Linked travel arrangements consist of two or more elements bought from different traders and concluded through separate contracts, but where at least the traveller's name or contact details are transferred to the other trader within 24 hours after the booking of the first service is included.

MEPs insist that the traveller should be clearly informed before concluding the contract if he is buying a package or a linked travel arrangement given that these arrangements do not offer the same level of protection in all cases as do traditional package holidays.

The difference in protection is that linked travel arrangements cannot be transferred to another traveller like a package holiday, and their sellers do not need to provide the same pre-contractual information. However, someone buying a “linked travel arrangement” would still be protected if a service provider goes bust and would also have the same guarantee of repatriation as someone on a package holiday in the event of unforeseeable circumstances.

If the trader fails to inform the traveller that the travel arrangements he has booked do not constitute a “package”, the traveller will have the same rights as anyone who books a package holiday.

If a trader only passes information on destination and travel dates to another trader, for example through the use of cookies on the website, but no personal data, or if the traveller is led to another website simply by clicking on an add, the travel arrangement will not fall within the scope of this directive.

Business trips arranged by an organiser through a framework agreement should also be excluded, MEPs say. The same goes for packages and linked travel arrangements put together by non-profit-making organisations such as schools, football clubs or charities and these organisations should not be held liable for the trip, they add.

Background

What happens if the travel organiser goes bust?

Travellers' repatriation should be ensured if their travel organiser goes bust while they are on holiday. If possible, they should have the option of continuing their trip at no additional cost before travelling home, MEPs insist.

Member states should ensure that their insolvency protection schemes are effective and able to guarantee prompt repatriation and immediate refunds to the travellers affected.

Background

Information requirements

Before the contract is concluded, the traveller should be informed about the destination, departure and return date and times, the number of nights included, the official category of the accommodation booked and the total price of the package.

Upon request, the trader should give information on access for persons with reduced mobility. Where relevant, the traveller should also be informed of the minimum number of persons required for the journey to take place and the deadline for cancelling the trip if this number is not reached.

Background

What happens if the flight times or the price change?

Organisers should not be able to change flight times significantly – i.e. by more than three hours - once the sale has been concluded. If the flight times change, the traveller should be offered an equivalent package holiday or full reimbursement.

Prices may be raised after the sales contract has been concluded only if fuel prices, taxes or airport fees go up. If the price increases by more than 8% (the Commission proposes 10%) travellers should be able to choose to have their money back, including payments for auxiliary services such as travel insurance or activities on the trip, or be offered an equivalent package.

Any price reduction of more than 3% should be passed on to the buyer.

Background

What if a traveller needs assistance while on holiday?

Travellers in difficulty should be able to get help during their holiday even if the travel organiser is not at fault. Assistance should include information on health services, consular assistance or making alternative travel arrangements at the traveller's own expense.

Background

What happens in the event of "unforeseen" circumstances?

If "unavoidable" and "unforeseen" circumstances, such as natural disasters or a terrorist attack, make it impossible for the traveller to return home on time, the organiser would have to arrange accommodation for him or her at a similar level to the accommodation originally booked or alternatively pay for a stay of five nights costing up to €125 per night if the organiser is unable or unwilling to make a booking (the Commission proposal says three nights at no more than €100 a night).

Background

What if the traveller cannot go or wants to cancel?

A traveller should under certain conditions be entitled to transfer a package to another traveller. However, any expenses in relation to the transfer of the journey should be paid by the traveller or the person taking over the holiday.

Travellers should also be able to cancel the contract at any time before the start of the package, provided they pay appropriate compensation.

Background

Who is liable in the event of a problem?

Package holiday organisers are responsible for the performance of the travel services included in the contract, unless national legislation also expressly provides that the retailer may also be deemed liable.

In the case of a linked travel arrangement, each organiser is responsible for his own part of the contract.

Background

Data protection measures

The draft rules for the first time govern the information on travellers that is transferred between traders, as the quantity of information passed on defines the type of the contract, the level of protection and the liability. If a trader passes on information about a customer other than just the destination and the travel dates (i.e. name, contact, credit card or passport details) the trader will be considered liable for the sale of a package or a linked travel arrangement.

Background

What happens next?

The 12 March plenary vote closes the first reading and ensures that the result is available for the new Parliament. If the new Parliament so chooses, the outcome of the vote will form the negotiating mandate for talks with the member states on the final wording of the directive. Negotiations are expected to begin after the European elections. Parliament proposes that member states should have two years to bring the new rules into effect once they are approved.