EU rules on vouchers offered to passengers and travellers

Carriers and travel companies can offer vouchers for journeys and holidays cancelled due to coronavirus. However, this offer cannot affect passengers’ and travellers’ right to opt for reimbursement instead, the European Commission has explained. At the same time, airlines, various Member States and some Members of the European Parliament have been calling for temporary changes to the rules.

Background
When travel bans and restrictions at borders were introduced, and journeys cancelled due to the Covid-19 outbreak, many citizens were no longer able to travel. Refund requests currently far exceed the level of new bookings. Carriers in all transport modes as well as travel companies are facing sharp cash flow reductions, risking becoming insolvent. To stay solvent, they are offering passengers vouchers instead of refunds. At the same time, travellers also struggle with reduced income and ensuring that their rights are applied.

The rights of passengers in the EU are set in four passenger rights regulations (regulations 261/2004, 1371/2007, 1177/2010 and 181/2011). They give passengers a full set of rights, whether they travel by air, rail, ship, bus or coach. In addition, the EU has adopted a Package Travel Directive (2015/2302). Among others, the EU gives passengers and travellers rights in the event of cancellations, namely the right to be reimbursed (e.g. in money or in the form of a voucher) or re-routed (not applicable in the current situation). The EU rules also set a deadline by when such reimbursement is due: within 7 days (following the passenger's request) for air, sea and inland waterways transport; within 14 days for rail transport; within 14 days for bus and coach transport and within 14 days after termination of a package travel contract.

European Commission position
The Commission believes that there is no need to change the current rules. In its March 2020 interpretative guidelines on EU passenger rights and in its informal guidance on the application of the Package Travel Directive, the Commission explains that the carrier and the package travel organiser can offer the customer a voucher but the latter has the right to refuse it and opt for a cash refund or re-routing instead. The Commission reiterates this position in its 13 May 2020 recommendation on vouchers, while suggesting how to make them more attractive (e.g. protection against insolvency, validity of at least 12 months, higher value).

European Parliament and Council positions
The European Parliament asked the Commission, in an April resolution, to ensure that the interpretative guidelines on passenger rights are properly implemented. At the same time, media reports that more and more Members of the European Parliament are in favour of changing EU rules on vouchers. Different views on vouchers have also been exchanged during Transport and Tourism (TRAN) Committee meetings.

Transport Ministers discussed the issue of vouchers on 29 April. While a number of Member States support the temporary suspension of EU rules forcing airlines to offer full refunds for cancelled flights, others oppose changing these rules. Twelve Member States have issued a joint statement calling to temporarily allow airlines to choose the means by which passengers are reimbursed.

Stakeholders' position
Airlines have been asking to quickly amend EU rules and support vouchers or delayed reimbursement of tickets, instead of the current system. Consumer organisations, on the other hand, have called to maintain the current rules and welcomed the idea of making vouchers more attractive.