



The Consumer Voice in Europe

Proposal on package travel and assisted travel arrangements

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Revision of the package travel Directive

1. Need for the revision
2. New scope
3. Insolvency protection
4. Liability for performance
6. Full harmonisation

1. Need for the revision

- Current package travel directive is outdated → revision long overdue
- Many developments in the travel market:
 - From « pre-arranged » to dynamic and taylor-made travel combinations (case Club-Tour)
 - From tour operators to on-line travel agents, airlines and internet platforms → all selling/organising travel combinations
 - Sales of single services through « intermediaries »
 - Prices are flexible and can be updated easily

1. Need for the revision

- Consumers' needs and expectations evolved:
 - More flexibility, personalisation of travel combinations
 - 54% of consumers buy independently (Impact Assessment)
 - Essential feature of ALL travel combinations: Services linked to each other in the same trip or holiday = a problem or a failure of one service, may affect the others;

2. New Scope

- **Positive in the proposal:** new types of combinations covered:
 - Tailor-made « packages »
 - On line click-through combinations
 - One contract/separate contracts/single bill/separate bills ?

2. New Scope

▪ **Flaws/shortcomings in revision proposal:**

= Rigidity, lack of clarity, not future-proof?

- Assisted travel arrangements(ATA) : new category= no liability for the seller only for insolvency
- Packages/ATA: thin borderline in between
- Business models easily « adaptable » to ATA or to non-covered categories?
- Some traders (eg: airlines) will easily escape

= Complexity/ lack of transparency for consumers/ risk of adaptation of business models to avoid liability

3. Insolvency protection

▪ **Positive in the proposal:** extended protection:

- More package travelers (PT) protected
- Sellers of « assisted travel arrangements » (ATA)

▪ **Flaws in the proposal:**

- Lack of clarity: Who is obliged?, which services are protected?
- Scope unclear = insolvency protection unclear
- Incoherence: seat-only air passengers still unprotected

4. Liability for performance

■ Commission Proposal: only the organiser is liable for performance

■ BEUC concerns:

- Travel agencies often acting as organisers
- Difficulty for consumers: who is who in the chain?
- Retailers are more easily identifiable: direct contact with consumers
- Organisers based in a third country: added difficulty

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■ Our proposal:

- Joint liability organiser/retailer vis-a-vis consumers
- Right of regress against the organiser

5. Full harmonisation?

- Is it fully harmonised?
- Why? Need a proof that minimum harmonisation is a problem for cross-border services
- Better national provisions will be affected as:
 - Price increases (Germany, Austria, Bulgaria, Cyprus...)
 - joint liability (Luxemburg, Norway, Portugal, Sweden, France...)
 - Sale of single services through third parties (Belgium, Norway...)
- Some provisions a step back from the current Directive!
 - Tacit agreement to important changes in the contract (art. 9.2)
 - No compensation in the absence of report on lack of conformity
 - Right to care limited to 3 nights and 100 E per night

Main Conclusions

1. New scope: principle based, less focussed on business models, clearer distinction between PT and ATA
2. ATA sellers: (at least) information obligations, obligation of assistance, obligation of booking confirmation, liability for booking errors
3. PTs: Joint liability of organiser and retailer
4. Right of withdrawal for distance and doorstep selling (at least for early bookings)
5. Minimum or mixed harmonisation, no full harmonisation



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