

# Key points for consumers

## PACKAGE TRAVEL

How to make the travel and tourism sector more resilient for consumers



### Why it matters to consumers

European consumers often book their holidays through pre-arranged or customised packages, which are regulated by the existing Package Travel Directive (PTD). Despite being an important consumer protection instrument, the Thomas Cook bankruptcy and the COVID-19 pandemic have revealed important shortcomings of the current PTD. These need to be corrected to ensure a high level of consumer protection, especially in times of crisis.

This two-pager summarises [BEUC's position](#) on the [proposal](#) to revise the Package Travel Directive. Overall, BEUC welcomes the proposal as it is a good first step towards more robust protection for consumers using package travel services, including in crisis situations. However, there are a number of areas where the proposal must be amended in order to substantially improve consumer protection.

The table assesses the articles and content with the following symbols, illustrating whether BEUC:



what BEUC supports



what can be improved



what is missing

#### COMMISSION PROPOSAL

#### BEUC POSITION

Definitions of Package Travel and Link Travel Arrangements – (Art.3(2)) & Art. 3(5)).



Updated and improved definitions will enhance consumer protection and help them to better understand their rights.

Consumer cancellation rights in times of crisis – Art.12(2) & Art.12(3a).



Clarification of consumer cancellation rights in times of crisis will provide legal certainty for holidaymakers. Knowing how to activate these rights and how to benefit from them will bring further clarity.

Minimum requirements for vouchers – (Art.12a).



Vouchers should be voluntary for consumers, insolvency-protected, and refundable. It should however be clarified that they can be used on the whole range of services proposed by the entity emitting the voucher.

Scope of insolvency protection – (Art 17).



To ensure effective consumer protection, not only should vouchers and pending refunds be covered, but there should also be tight deadlines to benefit from the protection, better monitoring of insolvency schemes by authorities, and clear rules on financing.

## COMMISSION PROPOSAL

## BEUC POSITION

Business-to-business (B2B) refund rules – (Art.22).



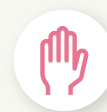
B2B rules will allow swift consumer refunds.

Stricter rules to secure consumer pre-payments – (Art.5a).



Restricting the number of pre-payments travel agencies can demand consumers before their holidays will limit the financial loss and help passengers get refunded in case things go wrong. However, too many loopholes remain that could restrict the rules' effectiveness.

Timeframes for consumer cancellation rights at no cost in times of crisis - (Art.12(2)).



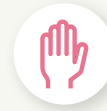
The revised PTD should introduce a clear timeframe before the departure (30 days and until the start of the journey), in which consumers, on simple presentation of an official travel warning, can terminate their package travel contract at no cost. This would prevent traders from refusing full refunds to consumers who decide to no longer travel in case of extraordinary circumstances. Beyond this time threshold, analysis should be carried out on a case-by-case basis.

No mention of deadlines for tour operators and intermediaries to deal with consumer complaints – (Art. 7 Art. 24).



The proposal does not introduce deadlines to deal with consumer complaints. The PTD should require tour operators and intermediaries to deal with consumer complaints within 14 days maximum. This would enable consumers to be refunded and compensated quickly. Consequences for non-compliance should also be established.

Lack of improvement of enforcement and redress (despite vast evidence and a huge amount of consumer complaints) – (Art. 24).



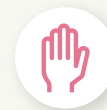
Participation in Alternative Dispute Resolution mechanisms should be mandatory for travel agents, tour operators and intermediaries. ADR decisions should be binding on traders.

Sanctions against tour operators, travel agents and intermediaries (Art. 25).



The PTD revision must ensure that authorities can impose dissuasive sanctions based on traders' annual turnover to ensure compliance. Similar provisions already exist in consumer law.

Definitions of contractual obligations for Link Travel Arrangements (LTAs) - (Chapter VI).



To counter businesses that avoid stricter liability rules, LTAs must follow contractual obligations.