BEUC'S RECOMMENDATIONS FOR TRILOGUE NEGOTIATIONS

On the Package Travel Directive revision



The Consumer Voice in Europe

Why it matters to consumers

IN NORMAL TIME

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 main recommendations for trilogue negotiations between the European Parliament (<u>position</u>) and the Council (<u>position</u>) on the Commission's 2023 revision proposal. BEUC's position paper can be found here.

TOPICS	BEUC'S RECOMMENDATIONS
KEY DEFINITIONS	 PACKAGE TRAVEL BEUC supports the European Parliament's (EP) position to update and improve the definition of "package" travel contracts which will enhance consumer protection and reflect market developments. LINK TRAVEL ARRANGEMENTS (LTAS) LTAs are formed when a trader facilitates bookings of a second, separate travel service from a different provider through a targeted link on their website. BEUC opposes the deletion of this concept suggested by both the EP and the Council. UNAVOIDABLE AND EXTRAORDINARY CIRCUMSTANCES BEUC considers that the current definition should be upheld.
CANCELLATION RIGHTS	BEUC welcomes: • The EP's clarification that standardised termination fees or their calculations should be covered in package contracts while remaining proportionate and justifiable. Such justification should

however be provided proactively, not upon traveller's request.

travellers. This would enable consumers to better exercise their rights.





The Council's proposal to pay refunds within 14 days without the need for any prior request by

TOPICS	BEUC DEMANDS
CONSUMER CANCELLATION RIGHTS IN CRISIS TIME AND TRAVEL WARNINGS	Clarification of consumer cancellation rights in times of crisis will provide legal certainty for holidaymakers.
	BEUC supports the EP's position broadening the list of places to be considered to activate the right to cancellation at no cost for consumers, namely the place of destination and its immediate vicinity, places of departure and places affecting the journey to or from the destination (e.g. layovers).
	BEUC supports the EP's position, clarifying that official warnings against travel to a particular destination issued by the authorities in the Member States of departure, the traveller's country of residence, before or after returning from the trip or holiday should be important elements to consider in order to determine if consumers can cancel their package free of charge.
PRE-CONTRACTUAL INFORMATION	BEUC supports all the clarifications brought by the EP that traders should provide exhaustive information on passports, visa requirements, health facilities to enter the country of destination, as well as transit. They should also inform travellers of all changes occurring between the conclusion of the contract and its execution.
	In addition, contractors should provide viable contact details and notify consumers if they are not buying a package which means different rules may apply.
MINIMUM REQUIREMENTS FOR VOUCHERS	BEUC supports the institutional willingness to introduce validity rules for vouchers , providing certainty for both passengers and traders. BEUC welcomes proposals by the EP and the Council to make vouchers voluntary for consumers, transferable once for free, usable and refundable partially or totally and valid for a year.
SCOPE OF INSOLVENCY PROTECTION	BEUC welcomes the institutional willingness to clarify insolvency protection rules to ensure effective consumer protection. We endorse the EP and Council positions that both vouchers and pending refunds should be covered.
	In addition, we agree with the EP's introduction of a 6-month deadline to benefit from protection and the clear and prescriptive rules on evidence consumers must provide to benefit from it (e.g. contract and proof of payment).
RULES TO SECURE CONSUMER PRE-PAYMENTS	BEUC supports the EP's position introducing a regulatory choice for Member States to limit consumers pre-payments. This would limit financial losses and help passengers get refunded in case things go wrong. Such limitations already exist in some Member States (e.g. Austria and Germany).
DEADLINES FOR TOUR OPERATORS AND INTERMEDIARIES TO DEAL WITH CONSUMER COMPLAINTS	Tourism is one of the sectors most prone to consumer complaints. Yet, neither the Commission nor the Council have tabled any concrete enforcement and redress proposals. Therefore, BEUC strongly supports the EP's proposal to introduce clear complaint handling procedures and deadlines to deal with travellers' complaints, making the process quicker.
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SANCTIONS

BEUC strongly supports the EP's proposal to introduce **dissuasive sanctions based on traders'** annual turnover.

ALTERATION OF OTHER PACKAGE TRAVEL CONTRACT TERMS

BEUC welcomes the EP's proposal clarifying that **organisers should immediately notify** travellers if they are forced to alter their package significantly.

BUSINESS-TO-BUSINESS (B2B) REFUND RULES

BEUC supports both the EP and the Council's proposal to **introduce B2B rules**. This will allow swift consumer refunds and ensure that tour operators can comply with their refund obligations.