

Contact: John Phelan +32 (0)2 789 24 01
Date: 12/03/2014
Reference: BEUC-PR-2014-006

Package holidays: European Parliament vote disappoints consumers

An update of the 1990 EU law on package travel – when consumers buy holiday services such as flights, accommodation or car hire together in a bundle – was voted on in the European Parliament today.

BEUC regrets that MEPs have not improved the situation for consumers confronted with new online selling methods similar to package travel products, but instead complicated it. Many of these selling methods and products will not be covered by the protections governing traditional travel combinations. The opportunity to clarify these issues and to strengthen consumers' rights in key areas was missed by MEPs.

Points of concern for BEUC include:

- An opportunity missed to make the laws applicable to new online business models such as airlines offering additional services like hotel stays or car rental in combination to the flight.
- The full harmonisation of travel laws – The MEPs' vote will set these EU safeguards as the limit on Member States' legislation, while current national laws surpassing them must be repealed.
- The shelving of plans to cap price increases once a package has been bought.
- New burdens on consumers e.g. their agreement to significant changes in contracts is presumed unless they protest.
- An opportunity missed to establish joint liability of retailers and organisers if things go wrong.

Monique Goyens, Director General of The European Consumer Organisation said:

"The nature of the travel market has changed and continues to do so. Retailers are diversifying and more and more people book online where a plethora of business models sell combinations of travel services. In such a world, the need for clear, robust and enforceable consumer rights is obvious. This vote will not increase consumer protection but unfortunately prompt confusion and a weakening of national standards.

"This new law will not enable consumers to easily distinguish whether they have bought a travel package or a selection of separate services with lesser protection. The main objective of the review was clarity and it is wide of the mark on that.

"The Parliament explicitly calls for full harmonisation of laws across Europe, but that will do away with important rights in certain countries. For example, in Germany now a price cannot increase by more than 5% before departure. If confirmed by the Council, this will have to go. Furthermore, though the Parliament obliges operators to pass on price decreases to consumers, the consumer would have to pay an administration fee to avail of that. Moreover, consumers will be obliged to report a problem right at the holiday location and if they don't do it instantly, they lose their rights to compensation. This clearly amounts to a weaker position for consumers in many countries."

ENDS