



Department for
Business, Energy
& Industrial Strategy

UPDATING CONSUMER PROTECTION IN THE PACKAGE TRAVEL SECTOR

Consultation

August 2017

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Consultation

The consultation and Impact Assessment can be found on the BEIS section of GOV.UK: <https://www.gov.uk/government/consultations/updating-consumer-protection-in-the-package-travel-sector>

UPDATING CONSUMER PROTECTION IN THE PACKAGE TRAVEL SECTOR

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Any enquiries regarding this publication should be sent to us at packagetravelconsultation@beis.gov.uk.

Foreword

We've all enjoyed package holidays without necessarily thinking of the risks involved. But you've got to pay up front on the promise of a holiday, there are occasionally instances of insolvency in the sector and the actual services are mostly provided by parties other than the trader who you bought the package from. Package Travel Regulations introduced in 1992 have made sure that millions of holidaymakers are protected if anything goes wrong. When you buy a package, the tour operator is responsible for ensuring that your entire holiday matches what was shown in the brochure or on the website. Package organisers also have to have insolvency protection so that consumers are able to get their money back or be returned home if the company goes bust.

While these Regulations have effectively protected consumers in the package travel market for many years, the sector has changed significantly since they were introduced. Technical innovation and in particular the growth of the internet and mobile technologies, have opened up new ways of buying and selling holidays. This has provided increased choice and flexibility in the travel market, allowing consumers to mix and match components of a holiday to suit their particular needs. However it has also created a gap in protection as these new methods of packaging holidays are outside the scope of the current Regulations. The UK Government recognises that there is a need to introduce stronger consumer protection to address this gap and it is important that we implement changes irrespective of our exit from the European Union. New regulations will extend protection beyond traditional package holidays to give clear protection to UK travellers who book other forms of combined travel.

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General information

Purpose of this consultation

On 11 December 2015 the 2015 Package Travel Directive was published in the Official Journal of the European Union. This new Directive requires the UK Government to update the current Package Travel Regulations from 1992 to reflect the new requirements. The UK has to transpose the requirements of the Directive into UK law by 1 January 2018, and then has a further 6 months up to 1 July 2018 for these requirements to come into force.

The purpose of this consultation is to seek views on our plans for implementation. Please note that this consultation relates only to the method of implementation and not the text where this has been drawn directly from the Directive.

Issued: 14 August 2017

Respond by: 25 September 2017

Enquiries to:

Consumer & Competition Policy
Department for Business, Energy & Industrial Strategy,
1 Victoria Street,
London, SW1H 0ET
Tel: 0207 215 5000

Email: packagetravelconsultation@beis.gov.uk

Consultation reference: Updating Consumer Protection in the Package Travel Sector

Territorial extent:

Consumer protection is a reserved matter for Scotland and Wales. It is devolved in Northern Ireland. The regulation of civil aviation is however, a reserved matter for the UK, which means that the ATOL regulations and scheme have a UK wide extent.

How to respond

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

You can reply to this consultation online at:

<https://beisgovuk.citizenspace.com/ccp/packagestravelconsultation>.

Responses can also be submitted by email or by letter to:

Consumer & Competition Policy

Department for Business, Energy & Industrial Strategy,

1 Victoria Street,

London, SW1H 0ET

Tel: 0207 215 5000

Email: packagetravelconsultation@beis.gov.uk

Consultation reference: Updating Consumer Protection in the Package Travel Sector

Additional copies:

You may make copies of this document without seeking permission. An electronic version can be found at <https://www.gov.uk/government/consultations/updating-consumer-protection-in-the-package-travel-sector>.

BEIS consultations are digital by default but a pdf version is available. Other versions of the document in Braille, other languages or audio-cassette are available on request.

Confidentiality and data protection

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the [GOV.UK website](#). This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the [Government's Consultation Principles](#).

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

Email: enquiries@beis.gov.uk

Executive Summary

1. This consultation sets out our proposals for transposing the requirements of the new European Package Travel Directive¹ (PTD 2015) which has been introduced to update the current Directive² (PTD 1990). The new Directive aims to provide clearer and more comprehensive protection for holidaymakers, in particular by updating the scope of protection to cover new business models and modern methods of buying 'package holidays' (often referred to as dynamic packaging³).
2. The UK has one of the most innovative and advanced leisure travel sectors in the world and is one of the biggest markets for leisure travel products in the EU. Package holidays form an important part of households' expenditure. Households spend on average £23.10 per week on package holidays which constitutes 34% of total spending on recreation and culture⁴. However, a consequence of innovation is that regulation has failed to keep pace with developments. While consumers may be under the impression that they are buying or arranging a protected package, in many cases these arrangements do not meet the definition of a package and consumers do not benefit from the same levels of protection as those that book via a traditional package organising business.
3. The new Directive imposes several requirements on Government and the travel industry which we have summarised in this document. In a number of areas we can choose how to implement the Directive and we have set out our position on these and invited comments. In particular we are seeking views on:
 - (a) Modes of insolvency protection for packages that do not include a flight. Would the options currently in place still be viable under the new regime?
 - (b) The new concept of Linked Travel Arrangements (LTAs).
 - (c) The creation of a UK central contact point that will respond to other EU Member States regarding UK established organisers' insolvency regimes.
 - (d) Minimum harmonisation provisions. These are provisions that the UK has a choice on whether to implement.

¹ Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC.

² Council Directive of 13 June 1990 on package travel, package holidays and package tours (90/314/EEC).

³ Dynamic packaging is where customers put together their own holidays, by mixing and matching the various elements themselves, as opposed to buying a traditional pre-defined package.

⁴ ONS (2015) 2014 Living Costs and Food Survey.

4. We would welcome responses from all those with an interest, in particular package organisers, trade associations and consumer representatives. We would also welcome views on the Impact Assessment that has been published alongside the consultation. After considering the responses, the Government will publish a formal response to outline our plans and how we will implement the Package Travel Directive.
5. This consultation is available online. Your response will be used to inform the outcome of the consultation. You should make it clear whether all or part of your response is confidential and state why, as information provided in response to this publication may be subject to publication or release. Please see 'confidentiality and data protection' above for more information.
6. This consultation opened on 14 August and closes on 25 September 2017.
7. EU Referendum Outcome – In June 2016, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation in future once the UK has left the EU.

The Department for Business, Energy and Industrial Strategy (BEIS) and Department for Transport (DfT) are working together to implement PTD 2015.

This involves a two-step approach to the consultation:

Step 1 – The first stage of the consultation was launched in October 2016 and focused on the specific changes to the ATOL scheme that are required to make the scheme fully compliant with PTD 2015. This consultation has now finished and a response has been published on the www.gov.uk website.⁵

Step 2 – This document marks the second stage of consultation and will discuss the over-arching proposals for implementing PTD 2015 as a whole, through updating the Package Travel Regulations (1992). This focuses on the overall insolvency arrangements for both flight (ATOL) and non-flight packages.

⁵ The ATOL consultation and Government response is available can be found at <https://www.gov.uk/government/consultations/atol-reform-modernising-consumer-protection>

Background on the Package Travel Directive

9. Package holidays are often complex combinations of travel services which typically include transport and accommodation, and may also include other services, such as excursions and vehicle hire. As various service providers are often involved, a problem with the delivery of one service may affect the delivery of others. The traveller may find it difficult to deal with subcontractors due to language barriers, and in such cases will not even have a contract with the various service providers. These conditions, and the cross-border dimension of many of these services, led the EU to introduce the current Directive. The Directive offers comprehensive protection which is not available to buyers of individual travel services, including making the retailer and/or organiser liable for the correct performance of all the services included in the package.
10. The current Directive also acts as a means of addressing consumer detriment in the travel market. This harm arises as a result of a number of characteristics of the market: the time lapse between payment and delivery of the holiday; the lack of consumer awareness of the financial stability of holiday providers; and the difficulty consumers face in getting a refund from an insolvent company. PTD 1990 therefore places an obligation on companies selling package holidays to have insolvency protection in place that ensures consumers are refunded, and where appropriate, repatriated.
11. The new Directive aims to clarify some of the provisions of the existing Directive and brings it up to date with legal and market developments. While the measures introduced by PTD 1990 have proved to be an effective framework for regulating the industry for many years, the European Commission identified that the growth of alternative means of providing combinations of travel arrangements has led to an uneven regulatory environment and that traditional package organisers are subject to a level of regulation which many of their competitors are not, even though to the consumer they are providing substantially the same services⁶.
12. This inconsistent approach creates consumer harm as consumers buying a non-protected holiday often face the same risks from the insolvency of their travel company as those who have purchased a protected package. Many consumers are confused as to the level of protection, if any, which their chosen method of booking travel arrangements attracts. Research has identified package-like arrangements which currently fall outside of the package travel regime as being the source of most

⁶ European Commission Communication: Bringing the EU Package Rules into the Digital Age – http://ec.europa.eu/justice/consumer-marketing/files/com_2013_513_en.pdf.

consumer detriment in the sector⁷. It has also led to confusion among the travel trade about whether a particular holiday should have insolvency protection.

13. The new Directive therefore introduces an expanded scope designed to capture the dynamic packaging models which are common in the current marketplace. These arrangements will now be subject to the full range of protections included in PTD 2015, including the organiser taking on liability for all of the services provided under the contract and providing cover against the insolvency of the organiser. This expansion will be underpinned by new information provisions that will make it clear for travellers what travel product they are buying and the corresponding level of protection.
14. The scope is also extended to cover a new concept called Linked Travel Arrangements (LTAs). This is designed to ensure protection for consumers against the insolvency of a trader that has facilitated the combination of travel services, but where the ties between the businesses concerned do not fully constitute a package that is sold or offered for sale. For example, where the consumer has purchased a flight from an airline website and at the end of the booking process is given the opportunity to 'click-through' to another provider which offers accommodation for the same trip under an entirely separate contract paid for as a separate transaction where the consumer has had to enter their payment details on separate occasions.
15. Research by the European Commission further suggests that since the current Directive was implemented, different legal requirements have developed across different Member States. Different requirements on pre-contractual information, liability and insolvency protection have made it more difficult for businesses to trade across borders⁸. The new Directive aims to harmonise these rights and obligations across the single market to ensure a consistent level of protection and facilitate cross-border trade.
16. In particular, it is said that cross-border trading is inhibited by, in some cases, a lack of mutual recognition of the systems in place to meet the current Directive's insolvency requirements. This makes it difficult for a package organiser who has in place arrangements under the rules of its home state to compete in another Member State, especially one which does not recognise those arrangements and demands further cover. To address this PTD 2015 requires all Member States to recognise the insolvency protection of a trader that is taken out in the Member State where they are established. In practice, this will mean that a UK business that has insolvency

⁷ Study on Consumer Detriment in the area of Dynamic Packages – London Economics, Nov 2009 - http://ec.europa.eu/consumers/archive/rights/docs/study_consumer_detriment_dyna_packages_en.pdf.

⁸ Study on Consumer Detriment in the area of Dynamic Packages – London Economics, Nov 2009 - http://ec.europa.eu/consumers/archive/rights/docs/study_consumer_detriment_dyna_packages_en.pdf.

protection registered in the UK, will have its insolvency protection recognised across the EU. This should simplify the process of businesses purchasing insolvency protection and improve clarity on insolvency protection for businesses that operate across various countries in the EU.

17. The UK supported the rationale for the new Directive during negotiation as we were also of the view that an update was necessary. The developments in many ways mirror reforms to the ATOL scheme in 2012 that extended protection to include “Flight-Plus” arrangements⁹ and introduced ATOL certificates to help improve clarity. Implementation of PTD 2015 will bring further clarity as it will mean that all dynamic packaging, flight and non-flight, will be legislated for.
18. The new Package Travel Directive was published in the Official Journal of the European Union on 11 December 2015. The UK has to transpose the requirements of this Directive into UK law by 1 January 2018, and then has a further 6 months up to 1 July 2018 for these requirements to come into force.

⁹ Flight plus is a form of ‘dynamic packaging’ where a business sells 1) a flight and 2) either accommodation or car hire, where 2) is within a day of 1).

Summary of Proposals

19. We intend to have an approach to implementation that will impose minimal additional burdens on business while enabling the UK to comply with the requirements of the Directive. We are proposing to transpose the majority of provisions using a copy out approach. This means that in general provisions will appear in UK regulations as they were set out in the Directive. As the Directive is a maximum harmonisation Directive, the UK does not have flexibility on how it implements the majority of provisions.
20. There are however a few areas where the UK has flexibility on how to implement. We have summarised our proposals in these areas below:
- (a) Non-flight package insolvency regime – we are proposing to continue the current regime although with a broadened scope as set out by PTD 2015.
 - (b) Non-flight LTA insolvency – we are proposing to extend the same regime to cover non-flight LTAs.
 - (c) Central contact points – we are seeking views on how this should be set up in the UK.
 - (d) Minimum harmonisation provisions – we are proposing to not go beyond the minimum standards of the Directive.
 - (e) Timing – we are proposing that the changes will apply to any sales made from the coming into force date.
21. The Government has already consulted on proposals to update the ATOL scheme to provide insolvency protection for flight-packages. A Government response, published on 9 February 2017, confirmed that the Government will take forward plans to align ATOL with the broadened scope of the PTD 2015.¹⁰ These changes will be implemented using the Air Travel Organiser's Licence Bill that was announced in the Queen's Speech on 21 June 2017.¹¹ The Bill will ensure ATOL protection for holidaymakers keeps pace with innovation in the travel market. It will allow ATOL protection to extend to a broader range of holidays, and make it easier for United Kingdom businesses to sell flight arrangements covered by the new regulations seamlessly across Europe.

¹⁰ The Government response to the ATOL consultation can be found at www.gov.uk/government/consultations/atol-reform-modernising-consumer-protection

¹¹ The latest updates on the Air Travel Organisers' Licensing Bill can be found at <http://services.parliament.uk/bills/2017-19/airtravelorganiserslicensing.html>

Scope

22. PTD 2015 applies to travellers not only consumers. This distinction is made because the definition of travellers is wider than consumers and can include some business travellers. We have therefore used the term traveller to refer to consumers that are within scope of the Directive in this document.
23. PTD 2015 applies to packages and LTAs sold in the EU. However, PTD 2015 does not apply to packages and LTAs that:
 - (a) last for less than 24 hours, unless overnight accommodation is included; or
 - (b) are organised occasionally on a not-for-profit basis for a limited group of travellers, such as a school trip.
24. PTD 2015 acknowledges that some companies make bookings through business travel agencies, and do not require the same level of protection as that designed for travellers. The new Directive will reduce burdens on the business travel sector as packages and LTAs purchased on the basis of a business travel agency agreement will be exempt. In contrast, small businesses and professionals often use the same booking channels as holiday-makers and require a similar level of protection. Business travellers who choose to make their travel arrangements via consumer facing service providers will continue to benefit from the protections.
25. Responses to the ATOL consultation were supportive of packages and LTAs purchased on the basis of a business travel agency agreement being exempt, although a number of respondents called for Government to provide guidance on the meaning of a 'general agreement'. We will work together with DfT to issue guidance on this point.
26. The Directive gives Member States the option to apply the provisions of the Directive to the areas outside of its scope outlined in the previous two paragraphs such as school trips as well as areas such as stand-alone contracts for single elements. Historically, the ATOL scheme has provided insolvency protection for flight-only tickets in certain situations, in order to minimise consumer detriment. This issue was explored as part of the ATOL consultation, and Government will continue to consider protection for flight only tickets as we look at longer term reforms to the ATOL scheme. Beyond ATOL protected flights, our view is that extending coverage to additional areas would not address any considerable consumer detriment that we are aware of, and would therefore impose unnecessary additional burdens on businesses. However, we would welcome views on whether the scope should be expanded to cover any of the areas, excluding ATOL protected flights.

Consultation Question

- | | |
|----|---|
| 1. | Should the UK apply the provisions to any additional areas, or to stand alone contracts? Do you have any evidence to support your position? |
|----|---|

New Definition of Package

27. One of the principal changes introduced by PTD 2015 is a broadening of the definition of package holidays that clearly includes new, commonly used dynamic packaging arrangements. Arrangements combined by two or more entities within a single booking process, or, where a single entity, such as a web-based operator, organises the creation of a “package” by providing travellers a choice from a range of services from different providers under an inclusive price or by means of an exchange of data which enables the second provider to take payment will now all be within scope. These arrangements will all be subject to the full range of protections set out in the new Directive, including the organiser taking on the liability for all of the services provided under the contract, and providing cover against their own insolvency.
28. This new definition is intended to cover arrangements where there has been considerable debate and confusion over whether they fell within the current definition. The UK supported this broadening of the definition which will provide greater clarity to travellers and business over what constitutes a package.
29. As with the current Directive, a package is created when two or more travel services are combined, however PTD 2015 clearly provides that motor vehicle hire is a travel service and also provides more clarity on what counts as ‘other tourist services’. These are services that are not intrinsically part of the carriage of passengers, accommodation or motor vehicle hire but make up a significant part of the package. Examples given include admission to concerts, sports events, excursions or event parks, guided tours, ski passes and rental of sports equipment such as skiing equipment, or spa treatments. PTD 2015 also outlines that if the ‘other tourist service’ accounts for 25% or more of the value of the package then this should be indicative of it forming a significant part of the package.

Table 1 – New Definition of Package

Article from Package Travel Directive	Summary	Example
SINGLE CONTRACT		
Art 3 (2) (a)	<p>A package is created when travel services are combined by one trader and sold under a single contract. This includes packages that are put together by the trader at the request of the traveller and then sold under a single contract.</p> <p>These types of packages are already in scope of PTD 1990.</p>	<p>Many traditional packages sold by high street travel agents will fall under this definition.</p> <p>Bespoke customised packages will also fall under this definition.</p>
MULTIPLE CONTRACTS		
Art 3 (2) (b) (i)	A package is created when a traveller has selected from the same point of sale two or more travel services and then pays for them..	Websites where the traveller can select a range of travel products related to a single trip to create a package.
Art 3 (2) (b) (ii)	If a selection of travel services for the same trip are sold at an inclusive or total price then a package is created.	A travel agent puts together a selection of travel services for the same trip under different contracts and sells it to the traveller for a total price.
Art 3 (2) (b) (iii)	If a combination of travel services are advertised or sold under the term 'package' or a similar term this will be classified as a package.	If a travel agent puts together a selection of travel services for the same trip under different contracts and the traveller pays for these services separately it would still be classified as a package if the travel agents advertised this as a 'package deal'.
Art 3 (2) (b) (iv)	Arrangements where a trader sells a product that allows traveller to pick and choose different travel services after they have concluded the contract will also count as packages.	Package holiday gift boxes fall within this definition. For instance, a 'Tastes of the Region' package that allows you to choose your accommodation and a meal at a gourmet restaurant after you have purchased.

Art 3 (2) (b) (v)

Situations where a traveller purchases different travel services for the same trip through a linked online booking process where the traveller's name, payment details *and* email address are sent from the first trader they purchase from to the second and a contract is concluded with the second trader no longer than 24 hours after the first service was purchased will now be packages.

After a traveller purchases a flight online, the confirmation webpage gives the traveller a link to book car hire. Upon following this link the traveller is able to book car hire without having to re-enter their credit card details. If the traveller purchased the car hire through the link within 24 hours of purchasing their flight a package would be created. This is because the traveller's payments details will have been passed on by the airline.

30. As we have set out above in our proposals our intention is to apply a copy out approach to implementation which means that in general the definitions will be set out in UK regulations as they are in the Directive. We are however planning on publishing guidance to help traders comply with the new definition.

Consultation Question

- | | |
|----|---|
| 2. | Are there any particular elements of this definition that you think are difficult to interpret? |
| 3. | Do you envisage any issues with being able to comply with this new definition? |
| 4. | What will be the costs of complying? Please provide evidence. |
-

Linked Travel Arrangements

31. LTAs are looser commercial connections than that of a package. An LTA is created when a trader facilitates either:
- (a) the selection and payment of two or more services for the same trip, under separate contracts with individual providers, upon a single contact with a point of sale, or,
 - (b) the separate selection and payment of two or more travel services for the same trip through targeted linked booking processes within 24 hours without transferring the travellers payment details. Conversely, if the traveller's payment details, name and email address are transferred then this would count as a package as outlined in the table above.
32. The requirements fall upon the trader who facilitates either of the arrangements above, referred to here as the LTA facilitator. There are fewer requirements on them compared to package organisers. They must have insolvency protection in place that will provide the traveller with a refund if a travel service that is part of the LTA that they facilitated is not performed as a consequence of their insolvency. They will only have to have insolvency protection for repatriation in place if they are responsible for the carriage of passengers. These requirements are discussed further in the insolvency chapter of this consultation.
33. Although LTAs do not offer the same level of protection as a package does, traders facilitating LTAs will be required to inform travellers before they buy a product that may lead to the creation of an LTA that they are not buying a package and they will therefore not benefit from the protections associated with a package. They must make it clear that protection will only be provided to refund services not performed as a result of their insolvency as outlined above. The protection will not protect the traveller against the insolvency of any additional service providers involved in the LTA. These information requirements are valuable as they make this clear to a traveller who may have erroneously thought they were covered. This therefore not only promotes informed consumer choice but also allows businesses flexibility as to how it chooses to provide services and the level of protection that attracts.
34. There has been considerable debate since the Directive was published, particularly in the online travel market, as to what counts as 'facilitated in a targeted manner' and consequently when a trader is deemed to be in scope as an LTA facilitator. The recitals of the Directive provide some context on situations where LTAs will apply, explaining that where travellers purchase a travel service, such as a flight, and along with the confirmation of their booking, perhaps in an email, receive a link to book another travel service, such as a hotel, in the same email then this will clearly form an LTA. It suggests that these types of arrangements will often be on the basis of a commercial link (i.e. commission flowing) between the two companies. While these

types of arrangements are clearly in scope, online LTAs should be distinguished from situations where the traveller is made aware of additional travel services in a general way, including where 'cookies' or meta data are used to place advertisements (e.g. a banner ad) on a website.

35. An example of an LTA would be where a traveller has purchased a return ticket to New York and when the booking was confirmed, she received an invitation to book a hotel room in New York through a link to a hotel booking site. As the traveller booked a hotel room on the linked website within 24 hours of purchasing their flight, an LTA was created. This means that if the airline became insolvent while the traveller was in New York, and the return flight cancelled as a result, their repatriation would be covered by insolvency protection that the airline would be obliged to have in place as an LTA facilitator. In addition, the airline would have to ensure that when the traveller receives the link for the hotel reservation they are clearly and prominently informed that the flight and hotel will not constitute a package, and the airline will not intervene if there are any problems in relation to accommodation.

Consultation Question

5.	Are there any particular elements of LTAs that you have difficulty interpreting? Please explain your reasoning.
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6.	Do you currently facilitate arrangements that will fall into scope? Please give examples.
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7.	What do you anticipate will be the cost of complying? Please provide evidence.
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8.	What issues do you envisage with complying? Please explain your reasoning.
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Information Requirements

36. The new broadened scope is underpinned by information requirements that will enable travellers to clearly identify whether they are being offered a package or not, as well as the corresponding level of protection. These new requirements will help travellers make informed choices and are particularly useful in a market where certain products (packages) have financial protection and repatriation provided, but other products do not.

Before the sale

37. Specific information must be provided by the organiser and/or retailer of a package to the traveller in a clear and prominent manner before they are bound by a contract. Most of this information is already required under the current regime in one way or another and includes (but is not limited to); the main characteristics of the package; total price of the package; name and details of the organiser; and, information on their cancellation policy.
38. In addition to the above, traders will also now have to inform the traveller whether they are buying a package or an LTA using standard forms laid out in the annexes of the Directive. These standard forms require the key rights in the Directive to be outlined, and also require the trader to provide the details of the entity that is in charge of their insolvency protection (such as ABTA for bonding).
39. This information must be provided irrespective of the medium by which a business chooses to market their products and services. PTD 2015 removes the requirement that where a brochure is provided, it should contain all the required information, provided that the traveller has access to the information by other means prior to agreeing any contracts. However, the traveller must be provided with the information in a manner that complies with the Directive's requirements of clarity, comprehensibility, prominence and legibility.

After the sale

40. Once a sale has been concluded the organiser is required to provide the traveller with a copy or confirmation of the contract. This shall include the specific information referred to in paragraph 36 as well as essential information such as the contact details of the organiser's local representative.

Changes and Cancellations

41. PTD 2015 retains many of the rights with regard to changes and cancellations that were included in the current Directive, although there are some developments which we have been summarised in this chapter.
42. As with the previous Directive, PTD 2015 allows travellers the option to transfer a package travel contract to another traveller if they give the organiser reasonable notice. PTD 2015 specifies that at least seven days before the package is due to start should be considered reasonable. The transferor and transferee are still liable for covering the costs of any necessary changes, however PTD 2015 stipulates that these costs should not exceed the actual costs incurred by the organiser, and the organiser must provide the transferor with evidence of this cost.
43. Continued under the new Directive is the allowance whereby for specified reasons (fuel costs, taxes or fees on the travel services, exchange rates), and provided the possibility is reserved in the contract, a formerly agreed price for a package can be altered. PTD 2015 requires that the contract must also allow for a price reduction in the event that the factors which are permitted to lead to price rises result in cost reductions for the organiser. PTD 2015 is explicit that a price increase cannot be charged unless notice is given no less than 20 calendar days prior to the start of the package (currently 30 calendar days in the UK), and appropriate justification of this change is provided. The extent of any price increase is capped at 8% of the price of the package.
44. Similar to the current Directive, PTD 2015 sets out that the organiser must inform the traveller of any changes to any of the main characteristics of the travel services. Other than price as outlined above, these changes should not be significant and can only be made if the contract has reserved the right to make changes. If significant changes need to be made then the organiser must inform the consumer without undue delay.
45. If the organiser has no choice but to significantly alter the main characteristics of the package, including increasing the price by more than 8%, then the traveller must be given the option to terminate the contract without paying a termination fee. These proposed changes must be communicated to the traveller in a clear, comprehensible and prominent manner on a durable medium. A reasonable period within which the traveller has to respond should also be communicated. PTD 2015 provides for the consequences of a failure by the traveller to respond to be dealt with in accordance with national law¹². The Government's preference is for the contract to remain in place unless the traveller opts for termination, rather than deeming a failure by the traveller

¹² Art 11(3) (c) of PTD 2015.

to respond as a termination of contract. Our view is that holidays should not be automatically terminated simply because the traveller has failed to respond. This would not be proportionate to oversight or forgetfulness on behalf of the traveller. **We would welcome any views on this, including any contrary to this proposal.**

46. The current Package Travel Regulations allow for tour operators to cancel a holiday without compensation when “unusual and unforeseeable circumstances” significantly affect performance of the package¹³. Organisers will retain this right under PTD 2015, although the term “unavoidable and extraordinary circumstances” will now apply. This is defined as a “situation beyond the control of the party who invokes such situation the consequences of which could not have been avoided even if all reasonable measures had been taken”¹⁴. Recital 31 of the Directive provides a helpful outline of when “unavoidable and extraordinary circumstances” may apply: “warfare, other serious security problems such as terrorism, significant risks to human health such as the outbreak of a serious disease at the travel destination, or natural disasters such as floods, earthquakes or weather conditions which make it impossible to travel safely to the destination as agreed in the package travel contract”.
47. A key development is that travellers will also now have the right to terminate the contract without paying a termination fee and receiving a full refund in “unavoidable and extraordinary circumstances”. In practice this may not be a significant change from the current position, because in most situations the same process will probably continue with tour operators cancelling holidays and refunding travellers as a matter of course. For instance, in the event of a serious natural disaster (e.g. an earthquake or tropical cyclone), an unsafe security situation due to war, civil unrest or terrorism, or an unexpected new health risk, we would expect judgements to be made according to the impact on the performance of the package and the safety of travel, as at present. However we do acknowledge that some scenarios will not be as clear as this and could lead to disputes between travellers and tour operators.
48. In addition to the termination provisions above, Member States may provide for the traveller to have a right to withdraw from a contract entered into off-premises (for example sales in the home, also known as doorstep sales), within 14 days, without giving a reason. In our view implementing this provision would not provide consumers with any appreciable additional protection, and would be burdensome on business. Package travel contracts are often bespoke in nature where the traveller exercises various options, for example, the date of departure, the nature of accommodation, excursions and so on. It can be difficult for organisers to pick apart and, where necessary, re-sell the different elements of a package if a traveller withdraws, particularly if the agreement is made near to the time of travel. Prices are increasingly

¹³Reg 13 (3) (b) of the Package Travel, Package Holidays and Package Tour Regulation 1992.

¹⁴ Art 3 (12) of PTD 2015.

calculated on a day to day basis and can fluctuate depending on, for example, availability of rooms or flights, making the organiser susceptible to losses as in many cases they will have already passed money onto service providers, and there is no guarantee that they will be able to transfer these services to another traveller without incurring additional costs. We are not aware that this is an area of significant consumer detriment in the UK. The statutory 14 day cooling off period for doorstep sales which applies to wider sales does not apply to package holidays under the current regime. Therefore, in line with our proposed approach to minimise additional burdens on business, we are proposing to not implement this provision.

Consultation Question

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| 9. | Do you agree that the contract should remain in place unless the traveller requests termination? |
| 10. | Do you envisage travellers being given the option to terminate in “unavoidable and unforeseeable” circumstances causing significant issues? Please give examples. |
| 11. | Do you agree that we should not implement the right for a traveller to withdraw from an off-premises package travel contract within 14 days without giving reason? If you disagree, please provide evidence. |

Liability for Performance

49. PTD 2015 explicitly places liability for the performance of the package on the organiser. We supported this development as it brings clarity to the requirements placed on organisers and retailers which were sometimes confusing as the current Directive placed the liability on the organiser and/or retailer. Our current regulations refer to the “other party to the contract” which is usually the organiser but could also sometimes be the retailer.
50. To clarify the distinction between the two as concerned in PTD 2015, organiser and retailer are defined as:
- (a) Organiser: a trader who combines and sells packages. Traders who pass on the traveller’s name, payment details and email address to another trader to create a package as was described in the final row of table 1 will also be considered organisers.
 - (b) Retailer: a trader other than the organiser who sells or offers for sale packages combined by an organiser.
51. The organiser is liable for the performance of all contracts making up the package, regardless of whether they are performed by third parties. The organiser is required to remedy any lack of conformity with the contract unless it is impossible to do so or costs would be disproportionate taking into account the lack of conformity and the value of the travel services affected. If the organiser is unable to address the problems then the traveller will be entitled to an appropriate price reduction, and compensation if appropriate.
52. Where travellers are unable to return home as a result of unavoidable and extraordinary circumstances, the organiser will be responsible for providing additional accommodation (of equivalent standard if possible) for up to three nights¹⁵. The three day cap does not apply to some specified persons, such as people with reduced mobility, or pregnant women¹⁶.
53. Stakeholders have argued that as the current Directive applies to the “sale or offer for sale” of packages, this provided a loop-hole for those agents who claim to be acting for the consumer and are therefore not selling or offering for sale products; but just their services as locators of service providers. To the consumer their services generally look

¹⁵ Where longer periods are provided for in Union passenger rights legislation applicable to the relevant means of transport for the traveller’s return (e.g. Air Passenger Rights), those periods should apply.

¹⁶ Art 13 (8) of PTD 2015.

no different to those of other organisers who package or facilitate LTAs. PTD 2015 has confirmed that a trader will not be able to avoid their obligations, simply through how they describe their business. In particular it states that when considering whether a trader is an organiser, it should make no difference whether that trader is acting on the supply side or presents himself as an agent acting for the traveller. This is a clear indication that the regulations will apply to businesses acting as agents who have previously considered themselves outside of the scope of the Package Travel Regulations, on the basis that they are acting for the consumer.

54. Although the majority of the obligations, such as liability and insolvency protection, apply to organisers, there are some provisions that retailers are required to comply with. PTD 2015 places a new obligation on retailers to act as a point of contact for travellers in respect of messages, complaints or claims relating to packages they have sold on behalf of organisers. In circumstances where a retailer is established in EEA but facilitates the sale of packages arranged by organisers established outside of the EEA, the retailer would take on responsibility for the performance of the contract and for providing insolvency cover, unless they can show that the organiser already complies with these elements of the Directive.
55. The Directive does include a minimum harmonisation provision¹⁷ that allows Member States to make the retailer responsible for the performance of the package as well as the organiser. If implemented, the retailer would also have to comply with the changes and cancellations outlined in the previous chapter and the insolvency measures that will be discussed in the next chapter. We are proposing not to implement this provision. As highlighted above, one of our aims during negotiations was to provide more clarity as to who carries responsibilities under the regime as compared to the situation at present. We believe that making the retailer liable in addition to the organiser would confuse this. **We would be interested to hear your views on this point.**

Consultation Question

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| 12. | Do you agree that we should not introduce legislation that would make the retailer responsible as well as the organiser? If you disagree, please provide evidence. |
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¹⁷ Sub paragraph of Art 13 (1) of PTD 2015

Consumer Protection Against Insolvency

56. This section outlines the insolvency protection requirements set out in PTD 2015, and the plans for implementation in the UK regime. The requirements are relevant for both the flight and non-flight sectors, though the method of implementation differs.
57. The existing Package Travel Regulations (1992) require businesses selling package holidays in the UK to have insolvency protection through ATOL for the flight-sector, or bonding, insurance or trusts for the non-flight sector. In the ATOL consultation the Government proposed to maintain this arrangement for the immediate future, on the basis that it would not be in the interest of the consumer, business or regulator to rush to a new system by 2018.¹⁸ The Government response, published on 9 February 2017, has confirmed that the Government will now take forward plans to align ATOL with the scope and requirements of the PTD 2015.¹⁹
58. This section is relevant to the flight and non-flight sectors, however, as we have already consulted on the ATOL scheme it primarily focuses on the changes for non-flight packages and non-flight LTAs.

Insolvency arrangements for non-flight packages

59. Although PTD 2015 is more specific on the insolvency arrangements required, for organisers this requirement is essentially the same as the current regime. The provisions in the PTD 2015 require organisers to obtain security for the effective and prompt return of all payments made by travellers for services not performed and for the travellers' effective and prompt repatriation in the event of the organiser's insolvency.
60. While the current Directive simply required sufficient evidence, PTD 2015 requires that this 'security shall be effective and shall cover reasonably foreseeable costs'. The Directive and the accompanying recitals elaborate on this to specify that this security should:
 - (a) Cover any payments made for packages, taking into account the period between any down payments and when the final payment is made and when the holiday is completed.
 - (b) Cover the estimated cost for repatriations in the event of insolvency.

¹⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/563930/atol-reform-consultation-document.pdf

¹⁹ www.gov.uk/government/uploads/system/uploads/attachment_data/file/590636/atol-consultation-response.pdf

- (c) In the event of insolvency, become available as soon as travel services are not being performed fully, it becomes evident that they will not be fully performed, or the travellers have to pay for the services themselves.
 - (d) Be available free of charge to the traveller when insolvency has impacted on the performance of the package so that they are able to get home, and also to pay for any necessary accommodation prior to repatriation if necessary.
 - (e) Refund travellers without undue delay after request if travel services are not performed as a result of insolvency.
 - (f) In addition, it may allow for the possibility for a continuation of the package to be offered.
61. PTD 2015 also stipulates that insolvency protection should benefit travellers regardless of their place of residence, the place of departure or where the package is sold and irrespective of the Member State where the operator or body providing the protection is established.
62. The recitals in the new Directive provide that Member States should be able to require that organisers provide travellers with a certificate documenting a direct entitlement against the provider of the insolvency protection. A similar requirement is currently in place in the UK for packages covered by the ATOL scheme, which are accompanied by an ATOL certificate that gives the traveller details on the protection provided. We do not believe it is necessary to introduce this requirement for all packages in the UK as the standard information requirements that are being introduced already require the trader to provide the details of the entity that is in charge of their insolvency protection .
We would however welcome views on this point.
63. When the current Directive was implemented back in 1992, three options were outlined for packages that did not include a flight: bonding, trust account, and insurance. As far as we are aware, there is little evidence that these models have not provided the required protection since they were implemented.
- (a) **Bonding.** To use the bonding option a trader must be a member of an approved body (approved by BEIS) which oversees the bonding process to ensure that the bond is at an adequate level to meet insolvency requirements. The approved body monitors trader activity and manages the bond calling process to ensure the consumers are refunded. The bonds must not exceed a period of 18 months, and must be a sum that: covers the maximum amount of payments the organiser expects to hold at one time for travel packages still to be performed; or is not less than 25% of all payments the organiser expects for travel packages in the 12 month period from the start of the bond, whichever sum is the smaller. Alternatively, if the approved body has a reserve fund or insurance to cover any shortfall in bond cover the sum must cover: no less than 10% of such payments; or the maximum amount of payments the

organiser expects to hold at one time for travel packages still to be performed, whichever is the smaller.

- (b) **Trust account.** This option requires all money paid by the consumer to be held by a trustee until the package contract has been performed. The trustee returns the money to the organiser when they provide evidence that the contract has been fulfilled. A portion of the money can in some circumstances be paid back before then but only if evidence is provided that the organiser has repaid a portion of the money to the consumer.
- (c) **Insurance.** The organiser can take out an insurance policy which recognises the consumer as the insured person and therefore pays direct to the consumer in the event of insolvency.

64. Preliminary discussions with stakeholders have suggested that all three of these options could be viable under the new Directive and also indicated an appetite for the three options to still be made available. We are therefore proposing to broaden the scope of the current non-flight package insolvency regime to cover the new definition of a package (i.e. traditional and dynamic packages) when we implement PTD 2015. **We would however welcome further evidence regarding the viability of the current regime, particularly any views contrary to the above.**

65. Our discussions also highlighted that there are some issues with the current non-flight regime that stakeholders would be keen to see addressed. For instance, it was reported that currently trust accounts may not be set up properly where the trustee is not appropriately independent from the organiser. We acknowledge that trusts can provide a good option if run well, and they are often the best choice for smaller companies. However it appears that some small changes may need to be considered to ensure traveller money is adequately protected and held in trust by a trustee that is suitably independent from the organiser. **We would welcome further evidence regarding any issues with the current regime.**

Consultation Question

13.	Do you agree with our opinion that the UK should not introduce a requirement for insolvency certificates to be provided with non-flight packages?
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14.	Do you agree with our proposal to broaden the scope of the non-flight insolvency regime to cover the new definition of a package introduced by PTD 2015?
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15.	Are there any issues with the current regime that you think should be addressed? Please give examples.
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Insolvency arrangements for non-flight LTAs

66. As outlined earlier, LTAs will not provide travellers with the same level of protection that is offered when purchasing a package, and there are therefore fewer obligations on traders who provide them. In summary, the key requirements are:
- (a) **Refunds** – The LTA facilitator must provide insolvency cover for the refund of payments they have received from travellers to the extent that a travel service is not performed due to their (the LTA facilitator's) insolvency. This would not cover all payments, for example it would not cover a payment made by a traveller directly to a provider of travel services other than the facilitator. Furthermore, if an LTA facilitator passes on money to an additional travel service provider as part of an LTA, and that provider subsequently becomes insolvent and cannot deliver their service, cover would not be provided as non-performance would be due to the additional travel service provider's insolvency rather than the LTA facilitator's.
 - (b) **Repatriation** – this cover is only required where the LTA facilitator is also responsible for the carriage of the traveller (e.g. a coach operator).
 - (c) **Information** – LTA facilitators will be required to provide information.
67. The Government has already invited views on whether the facilitator of an LTA, which requires the protection of a flight (flight LTA), should be protected through ATOL or a market solution. The response to the consultation highlighted a clear preference for the inclusion of flight LTAs within the ATOL scheme, to ensure there is a consistent approach for holidays that involve the protection of a flight. We will work with the Civil Aviation Authority to consider how best to achieve that, however in the meantime we will ensure we have the flexibility in the ATOL legislation to implement in this way.
68. Where an LTA does not require the protection of a flight (non-flight LTAs), we are proposing to allow facilitators the same three options as non-flight packages, i.e. bonding, insurance or trust account. We do not think it would be proportionate at this time to set up new systems to accommodate the introduction of a new concept that does not currently appear to be a common business model. We have been informed however that this may present challenges in practice, on the basis that it can be difficult to know if an LTA is complete, which makes tracking and auditing challenging. Although the Directive does require the second trader to inform the LTA facilitator when an LTA has been created, and there will often be commercial ties in place that will help to inform the level of LTAs that are likely to be sold.

Consultation Question

16. What do you think of the proposal to cover non-flight LTA insolvency protection under the same regime as non-flight packages? Do you envisage any issues with this approach? Please explain your reasoning.
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Mutual Recognition

69. As we outlined earlier one of the key aims of PTD 2015 is to harmonise laws across Member States to stimulate cross border trade at the same time as making consumer rights consistent. Different rules in different Member States make it inefficient for businesses that want to sell in multiple markets. This is particularly true for small travel operators who may choose not to enter foreign markets as a result of perceived regulatory barriers. As a result travel operators are not competing on an equal footing, and consumer choice is consequently reduced. One of the ways that the new Directive addresses this issue is by explicitly obliging mutual recognition of national insolvency protection schemes, within a structured cooperation mechanism.

Change from ‘place of sale’ to ‘place of establishment’

70. As highlighted above all Member States of the EEA will be required to recognise the insolvency protection regimes of other Member States. To implement this mutual recognition principle PTD 2015 changes the basis for insolvency protection from ‘place of sale’ to ‘place of establishment’. In practice, when implemented in the UK, this will mean that a travel company established here will be able to sell to customers in other Member States, but only have to comply with the UK insolvency regime. Conversely, when a UK traveller purchases from a trader established in another Member State they will be covered by the insolvency protection of that Member State.²⁰
71. Stakeholders have argued that this development could lead to more UK travellers being vulnerable to insufficient insolvency regimes in other Member States. We believe that this risk will be partly offset by the introduction of the new insolvency requirements which aims to bring the effectiveness of insolvency regimes up to the same high level across all Member States. **We would however welcome further views on associated risks you believe there are with the mutual recognition principle.**
72. The changes also mean that whereas previously the UK had to ensure any packages sold in the UK were sufficiently covered by the UK insolvency regime, the UK will now have to ensure that any packages sold across the EEA by UK established traders are sufficiently covered by the UK regime.
73. Further to our proposal to maintain the current non-flight insolvency regime, we are proposing to change the scope of this regime so that it covers any EU non-flight packages sold by UK established companies. Discussions with stakeholders have

²⁰ The UK regulations already recognise the insolvency regimes of other Member States however PTD2 will harmonise this across all EEA Member States.

suggested that this is a relatively small market and that the vast majority of non-flight packages sold by UK established businesses are domestic sales²¹. **We would however welcome further evidence of this market, as well as views on whether traders have intentions to expand their sales into EU markets.**

74. While the introduction of this principle clearly offers an opportunity for traders to expand their business across borders, or cover all of their sales under one insolvency regime if they are already operating in different territories, the future availability of this principle will depend on the outcome of negotiations on the UK's exit from the EU.
75. Organisers and traders not established in a Member State but who sell or offer packages (or facilitate LTAs) in the EU, or direct such activities to a Member State, are required to comply with the insolvency protection requirements of that Member State. This effectively maintains the status quo for these 'third country' traders. We are aware that this has created enforcement difficulties in the past, as it can be difficult to hold these companies to account. We think the responsibility on retailers who are selling packages provided by organisers established outside the EEA will help to address this although we acknowledge that it will not completely resolve the problem. **We welcome suggestions on possible mechanism that the UK could operate that would ensure the compliance of third country traders.**

Consultation Question

17.	Do you agree with proposal to update non-flight insolvency options so that they can be used for EU sales?
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18.	What benefits do you envisage from being able to trade across EU under the UK insolvency regime? Are you likely to take advantage of this? Please provide evidence.
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19.	What issues do you envisage as a result of this new principle? Please explain your reasoning.
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20.	Do you have any suggestions on possible mechanisms that the UK could introduce to ensure compliance of third country traders?
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²¹ Domestic sales are sales made in the UK by UK established traders, irrespective of destination of the package.

Central Contact Points

76. Member States are required to designate central contact points to facilitate the administrative cooperation and supervision of organisers operating in different Member States in accordance with the mutual recognition principle on insolvency arrangements.
77. These central contact points will have the following functions:
- (a) Making available to each other all necessary information on:
 - (i) their national insolvency protection requirements
 - (ii) the identity of the entity or entities in charge of the insolvency protection for specific organisers
 - (b) Granting access to any available inventory listing organisers which are in compliance with their insolvency protection obligations. Any such inventory shall also be made publicly accessible.
 - (c) Responding to concerns of other Member States regarding the insolvency protection of organisers established in their jurisdiction. Contact points must clarify the arrangements in place within 15 working days of any query.
78. We believe that the introduction of these central contact points could be a key element to address the potential traveller vulnerability that could emerge as a result of an increase of traders established outside the UK selling into the UK offering insolvency protection that could be argued to be insufficient. The central contact points will provide a dedicated channel for clarification on what insolvency protection specific organisers have in place.
79. We are currently considering which body/bodies would be most appropriate to take on this role on behalf of the UK. PTD 2015 allows us the option to designate more than one central contact point in the UK. Given this we have the possibility to have a central contact point for the non-flight portion of the market alongside the CAA which already supervises the ATOL regime.
80. We have also been considering whether to create a UK register listing organisers' insolvency arrangements to help the UK central contact point comply with the 15 working day response deadline, although creation of a register is not a requirement of the Directive. As we are intending to take a minimal approach implementation, we are not proposing to create any registers that do not currently exist. Although we recognise the benefits of creating a register for all organisers established in the UK we do not think it makes sense to create fundamentally new systems at this time. **We would however welcome views on this point.**

Consultation Question

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| 21. | Do you have any views on the creation of a central contact point(s) in the UK? |
| 22. | Do you think that the CAA should act as a central contact point for queries related to ATOL alongside a designated body for all other queries? |
| 23. | Should the UK set up a register for all UK established organisers to help comply with the 15 working day response requirement? |

Coming into force

81. As was stated earlier, the UK is required to transpose the requirements of the new Directive into national law by 1 January 2018, and then has a 6 month period in which to apply these measures. We are proposing to bring the measures into force on the deadline of 1 July 2018 which is set by the Directive. We are interested to hear your views on which date would be most appropriate.
82. The UK also has flexibility on transitional arrangements, i.e. whether the date measures are brought into force applies the new regime to bookings made after that date or to holidays taken after that date (but booked before it). We are proposing that the measures will apply to any sales made from the coming into force date. We acknowledge that there will be situations where some travellers who have booked a holiday under a model being brought into scope are covered and others who have booked the same package are not. However, we do not think it would be appropriate to require compliance with the new regime, particularly in respect of insolvency protection, when the new regime is not yet in force.

Consultation Question

24.	Do you agree that the measures should be brought into force on 1 July 2018? Please explain your reasoning.
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25.	Do you agree with our proposal that the incoming measures should only apply to any sales made from the coming into force date? Please explain your reasoning.
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List of Consultation Questions

Consultation Question	
1.	Should the UK apply the provisions to any additional areas, or to stand alone contracts? Do you have any evidence to support your position?
2.	Are there any particular elements of this definition that you think are difficult to interpret?
3.	Do you envisage any issues with being able to comply with this new definition?
4.	What will be the costs of complying? Please provide evidence.
5.	Are there any particular elements of LTAs that you have difficulty interpreting? Please explain your reasoning.
6.	Do you currently facilitate arrangements that will fall into scope? Please give examples.
7.	What do you anticipate will be the cost of complying? Please provide evidence.
8.	What issues do you envisage with complying? Please explain your reasoning.
9.	Do you agree that the contract should remain in place unless the traveller requests termination?
10.	Do you envisage travellers being given the option to terminate in these circumstances causing significant issues? Please give examples.

List of Consultation Questions

11.	Do you agree that we should not implement the right for a traveller to withdraw from an off-premises package travel contract within 14 days without giving reason? If you disagree, please provide evidence.
12.	Do you agree that we should not introduce legislation that would make the retailer responsible as well as the organiser? If you disagree, please provide evidence.
13.	Do you agree with our opinion that the UK should not introduce a requirement for insolvency certificates to be provided with non-flight packages?
14.	Do you agree with our proposal to broaden the scope of the non-flight insolvency regime to cover the new definition of a package introduced by PTD 2015?
15.	Are there any issues with the current regime that you think should be addressed? Please give examples.
16.	What do you think of the proposal to cover non-flight LTA insolvency protection under the same regime as non-flight packages? Do you envisage any issues with this approach? Please explain your reasoning.
17.	Do you agree with proposal to update non-flight insolvency options so that they can be used for EU sales?
18.	What benefits do you envisage from being able to trade across EU under the UK insolvency regime? Please provide evidence.
19.	What issues do you envisage as a result of this new principle? Please explain your reasoning.

List of Consultation Questions

20.	Do you have any suggestions on possible mechanisms that the UK could introduce to ensure compliance of third country traders?
21.	Do you have any views on the creation of a central contact point(s) in the UK?
22.	Do you think that the CAA should act as a central contact point for queries related to ATOL alongside a designated body for all other queries?
23.	Should the UK set up a register for all UK established organisers to help comply with the 15 working day response requirement?
24.	Do you agree that the measures should be brought into force on 1 July 2018? Please explain your reasoning.
25.	Do you agree with our proposal that the incoming measures should only apply to any sales made from the coming into force date? Please explain your reasoning.

What happens next?

Following closure of this consultation, the Government will analyse and consider all the responses it has received. The outcome of the consultation will determine the next steps. The Government aims to publish its response on the www.gov.uk website.

Annex A: Consultation principles

The principles that government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

www.gov.uk/government/publications/consultation-principles-guidance

Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Angela Rabess
BEIS Consultation Co-ordinator
1 Victoria Street
London
SW1H 0ET

Tel: 020 7215 1661

Email: angela.rabess@beis.gov.uk

However if you wish to comment on the specific policy proposals you should contact the policy lead.

Annex B: List of individuals/organisations consulted

- A1 Travel
- Adams & Remers
- Advantage Financial Services
- Advantage Financial Services Limited
- Advantage Managed Services
- Advantage Travel
- AIG
- Air Travel Consultancy
- Airbnb
- Airlines UK
- Alfa Travel Ltd
- AM Trust Group
- Anthony Batty & Co
- Arnold Fisher
- Arther J Gallagher
- ASB Law
- Association of ATOL Companies
- Association of Bonded Travel Organisers Trust
- Association of British Insurers
- Association of British Travel Agents
- Association of Independent Travel Organisers
- ATIPAC
- Avios
- Aviva
- BA
- Baba Holidays
- Baker Tilly
- Barclaycard
- Barclays
- Barrhead Travel

- BAR-UK
- BBA
- BDO
- Bed and Breakfast Association
- Bookable Holidays
- Booking.com
- British Hospitality Association
- Broadway Travel
- BTG Restructuring
- Business Visits & Events Partnership
- Camberford Law
- Campbell Irvine
- Canny Travel
- Capital One
- CBI
- Chartered Trading Standards Institute
- Citizens' Advice
- Consumer Council
- Co-op Finance
- Co-op Travel
- Cork Bays & Fisher
- CPT
- David Grant
- Deloitte
- Diversity Travel
- dnata
- Easyjet
- ebookers
- Edreams
- Elavon
- ELFAA
- Elman Wall
- Equinox Global
- ETTSA
- Euler Hermes

- European Low Fares Airline Association (ELFAA)
- European Tour Operators Association
- Expedia
- Federation of Small Businesses
- Field Fisher Waterhouse
- First Choice Holidays
- First Data
- First Data Corp
- Flee Winter
- Fleetway Travel
- Flight PA
- Flybe
- G Adventrues Ltd
- Gates & Partners
- Giles Insurance
- Glen Travel
- Global Travel Group
- Globalpay
- Gold Medal Travel Group
- Grant Thornton
- Hamlins
- Hays Travel
- Hextalls
- Hill Dickinson
- Holidaytravelwatch
- Imp travel
- Infinity Insurance
- Institute of Consumer Affairs
- IPP London
- Izzy Tours
- Jet2 Holidays
- K & L Gates
- Kingston Smith
- KPMG
- La Concordia

- Laser Travel
- Last Minute
- Lastminute.com
- Lloyds
- London Travel Watch
- Love Holidays
- Macintyre Hudson
- Markel
- Martins World Travel / Anglers World Holidays.
- Mayo Wynne Baxter
- MB Law
- McGregor Insurance
- Mid-counties Cooperative
- Mina World Travel
- Monarch
- Moneysupermarket.com
- Mundycruising
- Nissin Travel
- Ola Holidays
- On The Beach
- Online Regional Travel Group
- Payments Council
- Peak Retreats
- Pinsent Masons
- Piper Smith Watton
- Prestigeholidays
- Protected Travel Services
- Pttrustees
- PwC
- QBE Europe
- Qwerty Travel
- Ramsey World Travel
- RBS
- Royal Sun Alliance
- RWH Travel

- Ryanair
- Saffery Champness
- Saga holidays
- Serenity Trusts
- Skand Holidays
- Sodexo Benefits and Rewards Services
- SPAA
- Sports Tours International
- Statesman Travel
- Stoy Hayward
- Sunshine
- Sunvil
- Tesco Bank
- The Advantage Travel Partnership
- The Freedom Travel Group
- The Independents Advantage Insurance Company Limited (Guernsey)
- Thomas Cook
- Titan Airways
- Touchstone Underwriting
- Tourism Alliance
- Tourism Northern Ireland
- Townergate
- Trading Standards
- Travel & General Insurance Services Limited
- Travel Bee
- Travel Bonding
- Travel by Design group
- Travel Counsellors
- Travel Network Group
- Travel Republic
- Travel Trade Consultancy
- Travel Trust Association
- Travelwise
- Travlaw
- TUI

- UK Cards
- UK Inbound
- Ultimate Diving
- Vantage UA
- Ventureco Worldwide
- Virgin
- Virgin Airways
- Visit Britain
- Visit England
- Visit Scotland
- Visit Wales
- Wentworth Surety Ltd/Travel Bonding
- Which
- White Hart Associates
- Willis
- Worldpay
- Zurich

Annex C: Impact Assessment of Package Travel Directive

Our corresponding Impact Assessment has been published alongside this consultation at: <https://www.gov.uk/government/consultations/updating-consumer-protection-in-the-package-travel-sector>.

