

Package travel directive 'beefs up' consumer rights

Parliament's new directive on package travel entrenches consumer protection and clarifies rules in the internet age, writes **Hans-Peter Mayer**

The adoption of the current package travel directive in 1990 created important rights for European travellers purchasing package holidays, typically consisting of passenger transport and accommodation. This directive ensures that consumers receive essential information before and after signing a package travel contract. It provides for organisers and/or retailers being responsible for the proper performance of the package and regulates what happens if there are changes to the package travel contract. Furthermore, it ensures that travellers receive a refund of pre-payments and are repatriated in the event of the organiser's and/or retailer's insolvency. However, in 1990, the structure of the travel market was much simpler than today. Bookings were based on catalogues, and travellers booked through agencies. The internet did not exist. The modernisation of the current directive is therefore highly necessary. The protection of consumers booking online and the enhancement of the travel and tourism market go hand in hand: both, travellers and traders, have a high interest in getting and offering the best in a changing market.

As the parliament's rapporteur on the revision of the directive for package travel and linked travel arrangements, the key elements of my report were adopted in the committee for consumer protection and internal market (IMCO).

As regards the scope of the directive, packages put together by occasional organisers and packages with durations of less than 24 hours and without accommodation were exempted, as well as non-profit-making organisations – such as schools, football clubs or charities. These organisers should not be held liable for the trip. However, member states may decide to cover those packages in national legislation.

The possibilities for alteration of the price of a package will be limited, and if the price increases by more than eight per cent (commission proposal: 10 per cent), the traveller should be able to terminate the contract and be reimbursed, including payments for ancillary services, such as travel insurance or activities on the trip, or be offered an equivalent package. A price increase can only be handed on to the traveller with a justification and a calculation and if those were made by a third party, for example for higher fuel prices, raised taxes or if →



The package travel and assisted travel arrangements report is scheduled for a plenary vote in March when parliament concludes the first reading. Negotiations with member states begin after the elections.

airport fees go up. By default, the buyer should get a refund for any price reduction over three per cent. Furthermore, the organiser may not unilaterally change the contract terms unless the change is insignificant, in particular with regard to the main characteristics of the travel services and the arrangements for payment. The IMCO committee further stressed that organisers should not be able to change the time of departure or return by more than three hours after a sale is concluded; a tactic often used by organisers to convince travellers to buy a package by offering comfortable times. Furthermore, organisers must be responsible for the performance of the travel services included in the contract, unless national legislation expressly provides for the retailer to be held liable.

Travellers in difficulty can get help during their holiday from the travel organiser, even though the travel organiser is not at fault. Assistance should include information on health services, consular assistance or making alternative travel arrangements. In cases where the situation is caused by the traveller's negligence

or intent, the organiser can charge a reasonable fee limited to the actual costs.

If “unavoidable” and “unforeseeable” circumstances make it impossible for the traveller to return home on time, the organiser will have to arrange accommodation for them at a similar level to the accommodation originally booked, or alternatively pay for a stay of five nights, costing up to €125 per night (commission proposal: three nights costing up to €100). This amount and number of nights conforms with the revision of the passenger rights regulation, which was adopted in plenary last month.

Finally, travellers will be repatriated in case of insolvency of their travel organiser while they are abroad on holiday. If possible, travellers should have the possibility to carry on with their journey.

The new legislation clarifies the rules on package travel and beefs up consumer protection. With the amended definitions on package travel and linked travel it is now clear what package travel actually is. Travellers must be informed about their rights and how those rights are covered. ★

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Hans-Peter Mayer is parliament's rapporteur on package travel and assisted travel arrangements