

Industry letter to the attention of Didier Reynders, Commissioner for Justice

Limiting Pre-Payments for Travel Packages Will Not Enhance Travelers' Protection in the EU

The European Commission will have to find a balance between protecting consumers and ensuring that convenient travel products such as travel packages remain available on the market

As Europeans are preparing for their annual summer break, the European Commission is finalizing its impact assessment on a revised Package Travel Directive (PTD) which will have big implications for their travel experience in the future. We, the undersigned organisations representing online and offline travel intermediaries, are deeply concerned that as part of this assessment DG JUST is giving serious consideration to imposing a limitation of pre-payments on package travel organisers of 20% of the overall package price. While the consumer may not be required to pre-pay in full for their package, package travel organisers will be required to pre-pay to suppliers. Airlines will always require package travel organisers to pay for the flight component of any package in full and up front and the value of this flight is generally far more than 20% of the overall value. This option would mean that organisers will have to provide the working capital for suppliers, placing them under an unacceptable level of financial pressure.

A related option under consideration is to allow organisers the flexibility to ask for pre-payments above 20% if they are required themselves to pre-pay suppliers. This approach would be a completely empty protection for consumers as it fails to account for the substantial pre-payments typically made to travel service providers, which often exceed 20% and generally reach up to 80% of the total package value.

A limitation of pre-payments in any form will increase the cost of packages due to increased financing costs and additional payment costs for organisers. Given the high price sensitivity in the market, consumers will very likely choose to book standalone travel services which are far less protected than travel packages. This will therefore lead to exactly the opposite effect of the policy goal of the PTD.

We understand the Commissioner's concerns with the problems occurred during the pandemic, with travelers being reimbursed with great delays following the mass cancellations of the travel services purchased. This calls for an ambitious reform of the EU passenger rights framework, especially with regard to air passenger rights, including through [better enforcement of existing rights](#). It should remain clear, in fact, that the performance of a travel package and the protection of consumers are highly dependent on the underlying travel services. Putting an additional burden on travel agents, 99% of which are SMEs, by trying to protect

consumers' pre-payments only in the context of the PTD would not achieve the desired results.

We appeal to you, Commissioner Reynders, to ensure that more effective and realistic measures are considered for a better protection of consumers and that any changes safeguard the future of a well-protected product such as travel packages rather than putting it at risk. With the cost of living on the rise, consumers want value for money when booking their holidays, something which will not be achieved if we regulate packages out of existence.

About eu travel tech

Formerly known as European Technology and Travel Services Association (ETTSA), [eu travel tech](#) was established in 2009 as a dedicated organization to represent and promote the interests of travel technology companies in the EU. We work collaboratively with industry stakeholders and policymakers towards the common goal of fostering a consumer-driven, innovative, and competitive travel and tourism industry that embraces digitization, transparency, and sustainability.

For more information, please contact:

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About ECTAA

ECTAA represents some 80,000 travel agents and tour operators in Europe, which provide consultancy and sell transport, accommodation, leisure and other tourism services as well as combined products to leisure and business customers.

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