

PRESS RELEASE

36 Airline failures in 2 years – hundreds of thousands of passengers stranded

The French airline Aigle Azur is the latest in the list of airlines that have ceased operations, leaving more than 13.000 passengers stranded and thousands of passengers who bought tickets that are now valueless. This highlights once again the lack of adequate consumer protection against airline failures.

France's second-largest airline Aigle Azur suspended all flights as from 7 September. On their website the airline announces the cancellation of all flights and instructs affected passengers to buy another return ticket.

Said Pawel Niewiadomski, President of ECTAA: "It is the same situation after every airline failure – passengers are stranded abroad and have to buy new tickets with no real prospects of claiming refund of unused tickets. There is currently no adequate protection for passengers having purchased seat-only tickets."

While passengers travelling as part of a package travel are protected against airlines failures under the EU Package Travel Directive, such mechanism does not extend to passengers purchasing seat-only tickets. Travel agents and tour operators have to provide costly financial guarantees and / or have an insurance against their own insolvency. However, there are no equivalent requirements for airlines to protect their customers against their insolvency.

The current structure of the airline industry in Europe suggests that further consolidation will take place in the coming years and will most probably cause further airline failures. ECTAA deplores the fact that EU and national legislators are not more ambitious in protecting their citizens. Despite two major studies on European airline failures, evaluating the impact on passengers and assessing feasible options to better protect passengers, the European legislators have still not decided to legislate in this area. This is disappointing considering that the 2011 study demonstrated that the most effective and feasible solution was to introduce a general reserve fund to protect passengers against airline failures¹.

ECTAA has been calling since many years for the establishment of a mandatory mechanism borne by air carriers to protect passengers against airline failures.

Concluded Pawel Niewiadomski: "We need a level playing field for all passengers and provide the travelling public with confidence that arrangements are in place to repatriate and refund passengers in case of an airline collapse. '

¹ European study 2011: Impact assessment of passenger protection in the event of airline insolvency - Final report

ECTAA regroups the national associations of travel agents and tour operators of 29 European countries and represents some 80.000 enterprises.

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