



**THE EUROPEAN TRAVEL AGENTS'
AND TOUR OPERATORS' ASSOCIATIONS**

Air-Failures-2020512 Draft press release Malev agreement

PRESS RELEASE

ECTAA welcomes pay-out of Malev refunds to travel agents and tour operators following an agreement with IATA

The former Hungarian flag carrier Malev went bankrupt in 2012 leaving many travel agencies and tour operators with unpaid refund requests. After lengthy and complex negotiations, travel agents obtain a pay-out of large parts of their refund requests.

Brussels, 29 June 2020. “Failure of an airline is always a complex issue to sort out and Malev was no exception. After 8 years of work, ECTAA and its member organisations commitment is finally paying off!” said Pawel Niewiadomski, President of ECTAA.

Following the bankruptcy of Malev, funds of unused Malev tickets were safeguarded on an escrow account by IATA, which is responsible for the billing and settlement of air tickets between IATA accredited agents and airlines. Travel agents requested a refund of unused Malev tickets for their customers, but other creditors of the airline disputed the legitimate ownership of that money.

In 2015, three years following the bankruptcy of Malev, some 190 travel agents initiated a court case in Amsterdam to get legal certainty. In 2018 a judgment agreed with the position of these travel agents and IATA and recognized that the Malev funds for unused tickets belonged in principle to the travel agents’ customers, acknowledging also that the monies administered by IATA were not sufficient to completely cover all refund requests.

Additional discussions arose following the judgment and to prevent additional court proceedings, the parties engaged in negotiations in order to come to an agreement that would be acceptable for everyone. The agreement has now been signed, meaning that all validated refund claim amounts will be distributed proportionately to all travel agents after deduction of the legal costs. Pawel Niewiadomski concluded: “we are very happy that this case is finally coming to an end. The refund of the requests in the middle the biggest crisis of the industry is great news for travel agents and their customers”.

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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