

Press release

Air Belgium lets passengers and companies down: Failure to refund impacts customers and Travel Industry

Brussels, 21 September 2023 – The Belgian airline "Air Belgium" announced on Monday its decision to cease all passenger flights starting from 3 October 2023. While grappling with the fallout of this sudden announcement, passengers and travel companies are left in dismay as Air Belgium fails to process any refunds for the affected bookings in the IATA Billing and Settlement System. Once again, an airline stopped the refund process all the while travel agents are required to remit further monies for future flights that are already cancelled.

Air Belgium has initiated a request for a judicial reorganization procedure, a legal mechanism designed to freeze its debt and negotiate repayment terms within a span of five years. Belgian media sources suggest that if this plan receives approval from judicial authorities, passengers have to wait up to one year for their refunds. This blatant disregard for passengers' rights contradicts the EU Air Passenger Rights Regulation (Reg. 261/2004), which mandates that passengers are entitled to a refund within seven days after a flight cancellation.

“The failure and subsequent cessation of airline operations represent a severe issue, leaving consumers vulnerable and financially strained. Since 2017, there have been more than 140 airline failures, and the repercussions of these failures have been felt far and wide” said ECTAA President Frank Oostdam. Passengers who booked travel packages are much better protected, but this poses a significant burden for tour operators, many of which are small and medium-sized enterprises (SMEs). Tour operators have to secure alternative tickets for their customers, usually much more expensive on short notice. At the same time, they do not get reimbursed for the original cancelled flights.

This distortion of competition in the travel industry has far-reaching consequences and is detrimental to consumers. It is imperative that these pressing issues be addressed urgently during the forthcoming revisions of the Package Travel Directive and within the framework of Passenger Rights legislation. The European Commission must take swift and decisive action to protect the rights and interests of passengers and travel companies serving their customers alike.

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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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