

## Press release

### Mobility Package: Travel organizers welcome swifter refunds from suppliers but questions imbalances over the protection of consumers prepayments. What about airlines?

**Brussels, 30/11/2023 - The mobility package adopted by the Commission on 29 November has received mixed reactions. ECTAA welcomes the measures to improve clarity and speed up B2B refunds. However, the obligation to limit prepayments of packages is expected to drive up prices, fragilize traders, and offer minimal benefits to consumers, potentially excluding the most vulnerable from this protective scheme and leading them towards cheaper yet unprotected alternatives. Furthermore, the proposal is criticized for lacking the essential tools required to effectively address large-scale crises.**

ECTAA welcomes the Commission's proposal to speed up refunds for passengers and package travellers who booked via a travel agency or tour operator. The latter is a recognition that they do not hold consumers' prepayments. By clarifying rules on B2B reimbursements, this proposal will help limit package organizers' financial exposure, in particular in time of crisis. But strong enforcement tools are needed to ensure that consumers and package organizers do not have to wait a year and half to get their refunds.

However, ECTAA reiterates its deep frustration about the Commission's decision to impose limitations on prepayments for package organizers. This will raise overall package prices to the detriment of consumers, with minimal benefits. Package travellers have already their prepayments protected against the organiser's insolvency. ECTAA believes that the overall consumer protection would be enhanced if this protection was extended to standalone services, in particular air transport. There is currently no protection when an airline goes bankrupt. By doubling the burden on the intermediaries that do not hold consumer prepayments, with no proposal to limit the financial exposure of travellers when booking standalone services, the Commission will contribute to the decline of packages. Additionally, the imposed rules may hinder organizers from offering instalment payment plans, disadvantaging vulnerable consumers. ECTAA underscores the need for a broader reach of package travel rules to benefit a larger segment of EU citizens.

Moreover, ECTAA expresses disappointment that lessons from the pandemic have not been fully integrated into the proposal. While including measures on vouchers is welcome, this will not be enough to tackle another refund crisis such as a pandemic or another wide scale event leading to a liquidity crunch. ECTAA strongly urges the inclusion of a rapid refund system based on fast-tracked State Aid, ready for swift deployment in the face of worldwide travel restrictions or highly remote risks in the future.

Said Eric Dresin, Secretary General of ECTAA: "Unfortunately, when reading both the Passenger Rights and the Package Travel proposals, there is a clear imbalance between package organisers and airlines when it comes to protecting consumers' prepayments. The package travel industry is taking the blame for the crisis during the pandemic whereas suppliers passed the liquidity crunch on intermediaries. By

putting too much burden, we are at risk of fewer packages being offered and ultimately less consumers being protected while travelling.”

*For media inquiries, please contact:*

**Benoît Chantoin** [bchantoin@ectaa.eu](mailto:bchantoin@ectaa.eu)

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**About ECTAA**

ECTAA (European Travel Agents' and Tour Operators' Association) is a leading association representing the interests of travel agents and tour operators in Europe. Committed to fostering a competitive and sustainable travel industry, ECTAA actively engages with policymakers to shape regulations that benefit both industry stakeholders and consumers.