

PRESS RELEASE

ECTAA demands urgent airline insolvency protection as Air Belgium bankruptcy exposes once again travel agents, tour operators and customers to millions in losses

Brussels, 15 May 2025 – The European Travel Agents' and Tour Operators' Association (ECTAA) is renewing its call for the swift introduction of mandatory airline insolvency protection in Europe following the bankruptcy of Air Belgium, which has left nearly 8 million Euro in outstanding passenger refund claims-of which more than 5 million was sold through travel intermediaries (travel agents and tour operators).

On 18 September 2023, Air Belgium announced it would cease all scheduled passenger flights to focus on cargo and aircraft leasing operations. The airline soon entered judicial reorganisation and, unable to recover, was declared bankrupt on 30 April 2025. As a result, thousands of passengers are unlikely to receive refunds for their cancelled flights, with the remaining claims now part of the bankruptcy proceedings.

The scale of the loss underscores the essential role of travel intermediaries in the air travel market. However, it also painfully highlights the exposure of travel intermediaries to airline insolvencies. When a travel intermediary sells an air ticket as part of a package and the airline goes bankrupt, the package organizer is required by law to provide an alternative ticket to its customers-often without any prospect of recovering the original funds from the insolvent airline. This places an unfair financial burden on travel intermediaries, who are left to absorb the losses caused by airline failures. Travel intermediaries are 98% SMEs and often micro enterprises.

With airline tickets usually having to be paid upfront, often months in advance, there is a fundamental risk involved for travel intermediaries, customers and taxpayers alike. Airline failures are happening frequently with some 1200 commercial passenger airline failures in the past 25 years.¹

“The Air Belgium bankruptcy is yet another stark reminder that the current system leaves both consumers and travel intermediaries exposed to unacceptable risks. Airlines must be required to provide financial guarantees to cover their liabilities in case of insolvency,” said Frank Oostdam, President of ECTAA.

A Legislative Opportunity for Real Change

¹ WEX whitepaper „Protecting travel intermediaries from the impacts of airline failures” 05/2025

There is now a unique opportunity to address this longstanding issue. The Council of the European Union is currently discussing the revision of the Air Passenger Rights Regulation (Regulation 261/2004). ECTAA urges policymakers to seize this moment and include a clear provision requiring airlines to put in place measures guaranteeing the refund of their tickets when flights are cancelled due to an airline ceasing operations or going bankrupt. Such a measure would be straightforward to implement and would finally provide the protection that consumers and travel intermediaries urgently need.

ECTAA continues to advocate for a mandatory airline failure protection mechanism, like Denmark's air ticket guarantee fund, which ensures consumers and intermediaries are not left out of pocket when airlines collapse. With airline bankruptcies affecting millions of passengers in recent years, the need for robust protection has never been more urgent.

"Travel intermediaries are the backbone of the travel ecosystem, ensuring consumer choice and service. But without proper protection, they are forced to bear the financial consequences of airline mismanagement. The time for action is now," Oostdam added.

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About ECTAA

ECTAA represents the interests of 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.

For media inquiries, please contact: Eric Drésin: edresin@ectaa.eu (+32 478 844 513)