

PRESS RELEASE

European Parliament's call for protection against airline insolvency matches travel agents' demands

On Thursday, 24 October 2019, the European Parliament adopted a Resolution on the negative effects of Thomas Cook bankruptcy in European tourism. ECTAA supports the Resolution and particularly welcomes the Parliament's urgent call for protection against airline insolvency.

Thomas Cook, the second largest tour operator in Europe, collapsed on 23 September 2019. This failure has been damaging for the industry, destinations, travel service suppliers and workers alike. It has also been very stressful for Thomas Cook customers. However, the latter have been fully taken care of under the tour operators' guarantee system put in place under European legislation, often referred to in short as 'Package Travel Directive'. As a result, Thomas Cook customers were able to continue their holiday, get repatriated and –for those that have not yet departed- obtain a refund from the tour operator guarantee system (most often an insurance or travel guarantee fund). This is possible because tour operators have to provide sufficient evidence of security for the refund and/or repatriation of travellers in the event of insolvency.

ECTAA welcomes that the European Parliament Resolution recognises the importance of tourism in the EU economy both in terms of wealth creation (10% of EU28 GDP) and its social impact (12% of the total workforce) and calls for a better recognition of this crucial sector at EU level. ECTAA also thanks the European Parliament for its support in getting a dedicated budget line for tourism and more recognition in the European Commission.

ECTAA supports in particular European Parliament's call for a protection against airline insolvencies. The bankruptcy of Thomas Cook Airlines and the numerous previous airline failures show that consumers are not treated equally when a company goes bust. Travellers buying a package travel are much better protected against the bankruptcy of a tour operator, who must put up guarantees against their own insolvency to ensure the repatriation and refunds of affected travellers. However, there is no similar protection for passengers buying a single flight ticket from an airline in the event of an airline insolvency. In such case, passengers cannot get a refund and must buy a new ticket to return home. Consumers are treated differently, despite the fact that they pay a lot of money upfront to the airline or tour operator.

Said Pawel Niewiadomski, President of ECTAA: *"10 years ago, the European Parliament already called for a protection against airline insolvencies and since then nothing has changed. Industry-led initiatives do not provide adequate protection. After 32 European airline failures in less than 3 years, it is high time for action at EU level."*

About ECTAA

ECTAA represents some 70,000 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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