



Rathgar Travel

106 Rathgar Road, Dublin 6, Ireland. Tel: + 353 1 490 9311 Fax: + 353 1 492 0586
E-mail: info@rathgartravel.ie www.rathgartravel.ie

Commissioner Cathal Guiomard,
Commission for Aviation Regulation,
3rd Floor Alexandra House,
Earlsfort Terrace
Dublin 2.

Friday, October 31st, 2008

Dear Commissioner,

Re: Response to the CAR consultation on a review of the Travel Trade Regulation in Ireland

It is now almost thirty years since the Transport (Tour Operators and Travel Agents) Act, 1982, was enacted. In this time, the travel industry in Ireland had changed and evolved at an ever-increasing rate. However, the key regulations governing our industry has not been assessed, amended, or updated in any significant way to take account of this change.

This is very regrettable. An industry that labours under a regulatory regime that is out-of-date and out-of-touch will always be at a significant competitive disadvantage, and its growth and development will be hampered. For this reason, the review of the travel trade regulation – undertaken by the Commission on Aviation Regulation (CAR) – is to be welcomed.

This review should lead to a number of reforms being introduced to streamline the administrative processes which apply to the licensing of travel agents, and should also prioritise actions which penalise illegal traders. However, most importantly this review should seriously examine the introduction of a system of universal protection for all consumers, which would benefit both the travelling public and an industry which makes a very valuable contribution to the exchequer.

The review of travel trade regulation in Ireland has been long awaited. It is my hope that, following the completion of this review, that a modern, flexible and relevant regulatory structure will be in place which will allow Ireland's travel industry to continue to grow for the future, and which will provide protection to the maximum number of consumers possible.

Yours sincerely

James Malone
Rathgar Travel Ltd.
james@rathgartravel.ie



UNIVERSAL PROTECTION FOR ALL TRAVELLERS

Today, only a fraction of travel purchases by Irish residents are protected by the relevant regulatory regime. The Commission on Aviation Regulation has noted this in their own documentation. In light of the increase in travel, and with some travellers now buying direct from airlines, and booking travel plans over the internet, a substantial number of consumers are not benefitting from the protections put in place under the 1982 legislation.

In addition, in their own right many travellers are not financially protected to any significant extent. For example:

- Less than 50% of travellers have travel insurance
- Even with insurance, many policies will not protect against supplier failure
- The protections which are derived from booking with a credit or debit card are limited, and will not cover any consequential losses which arise from a cancelled flight such as a loss of a connection, or a booking. Importantly, the costs which arise from a supplier collapse – essentially the costs of repatriation – are much greater than the costs of simply refunding the value of a flight

In reality, only consumers who have organised their travel with a licensed operator, who has assumed responsibility for the fulfilment of the trip regardless of the risk of failure of any particular supplier, are protected. However, most travellers seem to be unaware that this is the case.

It is time to tackle this significant problem by putting in place a scheme which would protect consumers regardless of the way in which they have made their travel arrangements. This could be done by the introduction of a levy, to operate as follows:

- A small levy would be collected on departures from Irish airports and ports.
- This levy would go towards protecting consumers in the event of a collapse of an airlines, tour operator, travel agent, or other traders who would take part in the arrangement.
- This levy could be raised by ring fencing a small percentage of the Air Travel Tax, as already announced recently by the Minister for Finance, building up to form a reserve of funds to protect travellers

The main purpose of a levy would be to refund consumers in the event of supplier failure and assist with repatriation where required. In this, it would fulfil the same function as the current scheme which only applies to Agents and Operators, but with far greater coverage being afforded to the travelling consumer. It would replace the existing schemes, and would be manifestly in the interest of all travellers.

The Commission on Aviation Regulation is strongly urged to adopt a system of universal protection of all travellers as part of this ongoing review.