

Commission for Aviation Regulation  
3rd Floor, Alexandra House  
Earlsfort Terrace  
Dublin 2 D02 W773

17<sup>th</sup> September 2019

Re: Travel Trade Consumer Protection Measure-Phase 2

Dear Sirs,

I make this submission on behalf of World Travel Centre Ltd. TA0388.

**Scope of Consultation Process:**

The review undertaken by CEPA is flawed in that it is too narrow. It's focus is on the TPF rather than real reform of the consumer protection regime.

*'Many stakeholders have suggested that a more thorough review of insolvency protection be undertaken, covering both the scope and ambition of the regime.'*

These suggestions have been largely ignored so what is the point in having an industry consultation process?

*'Any legislative change would take time to implement and slow the process of reform, which is not desirable in the current environment.'*

Legislation is exactly what is needed as the current system does not work for anyone, most importantly the travelling public. Limiting the consultation in this way makes it meaningless. In any event Option F requires legislation in which case it should be to protect all travellers regardless of distribution channel including airlines and to include the obligations under PTD2.

**Replenishment of TPF:**

The process assumes that the responsibility to replenish the TPF rests with the licensed industry. The losses to the TPF were caused by a failure of regulation and reckless trading.

External consultants would be better engaged in investigating these failures, explaining them to interested parties and ensuring that such lack of oversight can never reoccur.

Strong, well-resourced and managed businesses which typifies most of our industry should not be asked to pay for reckless trading of others assisted by an absence of regulation.

**Option F/G:**

One of the few positives that can be taken from this process is the introduction of concepts such as Eligible turnover and Turnover at risk. A risk-based approach to all aspects of industry regulation is long overdue.

**Questions:**

The questions below are biased towards the narrow scope of the review and serve a limited purpose.

**QUESTIONS FOR CONSULTATION**

Broadening the scope of insolvency protection following the introduction of EU PTD II	
5.1 Do you agree that providers of Linked Travel Arrangements are included in the same insolvency protection regime as organisers of package travel holidays? If not, what protection arrangements should be in place for customers of Linked Travel Arrangements?	Yes, Provided it includes airlines and agents on an equal basis.
5.2 Should the licensing and bonding regime be extended to include all package travel and Linked Travel Arrangements within the scope of the new EU Directive? If not, what do you believe would be the most appropriate arrangement for these sales?	Yes, Excluding non-Irish departures is pointless and not in keeping with the operation of PTD2 in other markets.
Proposed options for reform	
5.3 Are there other reforms that you think should have been considered that would ensure appropriate levels of protection for consumers of package travel/Linked Travel Arrangements?	Yes. Single levy per passenger for all departures from Ireland regardless of how booked.
5.4 Which reform options do you think the Department of Transport, Tourism and Sport should pursue? Do you agree with the proposal to pursue Option F? Why and if not why not? If you consider another option to be preferable, why?	DTTS, CAR needs to start from scratch with new legislation rather than making a bad situation worse with these current reviews.
5.5 Do you agree with the proposal in options D, E and F to base bonds on eligible turnover, which excludes immediate supplier payments bills paid in arrears, rather than projected licensable turnover? Do you agree that it is then appropriate to increase bonding to double the current proportion?	Yes, The real risks to consumers' funds are easily identified. We need to move away from the 4% concept which is 37 years in existence and meaningless.
5.6 Do you agree that an insurance policy with a	No. There is no gap in protection with

	higher levy for the first ten years is the most appropriate way to avoid a gap in protection, as presented in Option F? If not, what alternative(s) would you suggest?	the right legislation and effective regulation.
5.7	Do you agree that the Commission should be able to increase bonding for firms they perceive to be at a higher risk of insolvency/under-bonding? Why? Do you agree with the guidelines for bonding increases set out in Option F? Are there other guidelines that should be considered?	Yes, Also, The Travel Trade Section should be adequately resourced and trained in risk analysis.
Impact of options on travel trade industry		
5.8	The report has assessed that Option F has a lower impact on the travel industry than Options C, D and E because the cost of replenishing the Travellers' Protection Fund is spread over several years, rather than concentrated into a short period. What impact does this have on your business? Would you prefer to pay a higher levy over a shorter period?	None of the options are fit for purpose. The trade should not be charged with TPF funding. We didn't cause the losses.
5.9	Options D, E and F base bonding on eligible turnover. This requires firms to provide data on both projected and realised supplier payments and payments in arrears. Do you agree with the report's view that the additional burden of providing such information is limited?	Yes, this information is easily available and will not cause any additional burden to provide.
5.10	Do you agree with the report's assessment that Option I is too administratively costly (for both industry and the Commission) given the current scope of consumer protection arrangements? Why and if not why not?	No Opinion.

Thank you for the opportunity to present our views. We look forward to the outcome of this phase.

Kind Regards



Aidan Coghlan  
Group Managing Director

T: [REDACTED]  
M: [REDACTED]  
E: [REDACTED]