



eu travel tech

Flexible, refundable and protected vouchers for customers in the travel and tourism sector

NET, a network of large trade associations representing all parts of the private sector in European tourism excepting aviation, and **eu travel tech** are calling on the European Union to adopt an EU-wide legal framework to provide customers with flexible and refundable vouchers for travel that are state-guaranteed.

The entire travel and tourism sector is facing a short-term liquidity crisis following national government instructions to cancel passenger movements by any mode of transport, commencing mid-March. This is part of a complete shutdown of travel and tourism globally, with borders closed and movement restricted. The tourism sector is not generating any income, despite incurring the same fixed costs. Customers, rightly so, are asking for refunds of their money for cancelled services, however, the current liquidity crisis is making it increasingly hard to process these requests.

There are two ways to go about this:

1. Insist on strict compliance with current EU legislation and enforce customer refunds, with the risk of pushing many travel companies into insolvency or
2. Take a proactive approach and devise a solution that would:
 - a. Safeguard consumer protection, with the adoption of an EU-wide legal framework for the issuance of state-guaranteed and flexible vouchers, avoiding any distortion of competition, and
 - b. Prevent widespread insolvency, immediate loss of employment, and reduction in the sector's capacity to enable recovery.

We call for **coordinated action at EU level to protect consumers** whose bus, coach, flight or package travel have been cancelled due to COVID-19, **while ensuring the short term financial stability and operation** of all the players in the travel distribution chain, a sector which employs more than 27 million people in Europe. We recognise that change to primary legislation is both challenging and time-consuming, and that the Commission has encouraged member states to devise emergency measures that suit their circumstances. However, such is the fragmentation of the single market that both permanent distortion and long-term loss of consumer confidence are possible.

Therefore, we suggest the adoption of a temporary amendment of Package Travel Directive and relevant EU transport regulation that concerns specific modes of transport, i.e., airlines, long

distance/intercity bus and coach operators allowing travel companies to issue **refundable** vouchers. These vouchers should be **flexible** in terms of duration and include customer-friendly provisions such as easy name or destination changes. To best inform customers, contact about the voucher should be made by the provider who distributed their ticket, the terms of the voucher explained in detail and their right to a full refund on voucher expiry explained clearly. Such vouchers shall be backed by state guarantees to **protect consumers in case of insolvency of the travel companies**. In this way, **the overall objectives of consumer protection would be met while allowing the unsustainable financial strain to be alleviated**.

In cases where there is no relevant EU legislation, such as for accommodation and other pre-paid tourism services, we would nonetheless welcome a positive message from the European Commission towards the EU Member States on guidance that enables state-guaranteed vouchers.

The adoption of an EU-wide legal framework for issuing state-guaranteed and flexible vouchers, avoids any distortion of competition, ensures the survival of industry jobs and travel companies, many of which are SMEs. Such exceptional measures are needed, as travel and tourism will be a sector that recovers slowest as COVID-19 measures at national level are lifted.

In parallel, the Commission should proactively **support state aid from Member States to the travel and tourism industry**. A good example is Denmark, which has provided a Travel Guarantee Fund. The latter provides direct refunds of cancelled travel packages to customers, allowing travel agents a breathing space. Such Fund, based on a loan to the industry, could be extended to all tourism suppliers, including tickets issued by air, long distance/intercity bus and coach travel operators. Unfortunately financial support, via national instruments, is not getting to where it needs to fast enough, especially to SMEs.

To conclude, we believe that these measures are necessary to protect consumers, standardise expectations and restore consumer confidence in an unprecedented situation. Consumer trust and quality of services are vital to the travel and tourism sector and will remain a priority so that the post COVID-19 recovery is faster.

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NET, the **Network for the European Private Sector in Tourism** is a high-level contact group comprising various trade associations. Its members are [CLIA](#), [ECTAA](#), [EFCO&HPA](#), [ETOA](#), [HOTREC](#), [IAPAA](#), [IRU](#). Our purpose is to develop common goals for industry and work with policy makers and other partners to achieve them. For more information please [email NET](#).

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eu travel tech represents the interests of travel technology companies. eu travel tech uses its position at the centre of the travel and tourism sector to promote a consumer-driven, innovative and competitive industry that is transparent and sustainable. The membership spans Global Distribution Systems (GDSs), Online Travel Agencies (OTA), Travel Management Companies in business travel (TMCs) and metasearch sites

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