



national consumer agency
gníomhaireacht náisiúnta tomhaltóirí

putting **consumers** first

Commission for Aviation Regulation Review of Travel Trade Legislation in Ireland

The National Consumer Agency (the Agency) welcomes the opportunity to comment on the Commission for Aviation Regulation's (the Commission) Review of Travel Trade Legislation in Ireland. The Agency is available to meet the Commission to discuss these comments in greater detail if required.

The Agency believes that any review of this area should be conducted on an EU-wide basis given the increase in cross border booking facilitated by the Internet. We note that the European Commission has already called for a review of the Council Directive on Package Travel Holidays, transposed in Ireland by the Package Holiday and Travel Trade Act 1995.

Pending such a review by the EU, we consider that there is an urgent need to make consumers aware of the various protections which are/are not available to them; depending on how they purchase their travel requirements. Indeed, we would speculate that only a small proportion of consumers routinely check the protection they are entitled to when purchasing a travel product.

In this context, the Commission's consultation paper contains very valuable information on travel rights and protections generally. We would be very happy to add this information to the suite of booklets we have on consumer rights and promote it through our website.

Responses to the specific questions raised by the consultation are detailed below. In summary, the Agency is primarily concerned with the continued protection of consumers under the current regime (it is acknowledged that this relates to a significant but declining number of consumers) and all consumers understanding of the financial protection they are entitled to when booking with a travel agent (noting the possible exceptions).

The NCA responds to the specific questions raised in the consultation as follows:

1) Which members of the travelling public should receive what financial protection?

The following options are presented:

- Option 1: Extend coverage to cover all trips out of the State,
- Option 2: Reduce coverage and rely on credit payment protection and
- Option 3: End scheme and rely on market to provide protection.

The Agency is of the opinion that the current scheme should be maintained and that the numbers using it should be increased through improved consumer awareness. We believe that Option 1 would only be workable if it were an EU-wide scheme. Option 2 is not favoured, as credit card payment does not provide protection in all cases. In addition, for some airlines booking by credit card incurs a significant surcharge. In addition, many consumers pay using

debit cards, which do not offer any protection. Consumers who avail of the existing scheme would lose out in Option 3.

2) What requirements should licensees have to satisfy?

3) What are the most suitable arrangements to ensure that there is adequate financial protection available to those the scheme is designed to protect?

4) The Commission would welcome any suggested changes to the way the current legislation is enforced.

The Agency believes that the Commission is best placed to decide upon the mechanics of the current scheme. As stated above, the Agency is of the opinion that any expansion in this area should be conducted at an EU-wide level. In the meantime, increased consumer awareness is of paramount importance.

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The **National Consumer Agency** (NCA) is a statutory body established by the Irish Government in May 2007.

Our aim is to provide strong and modern consumer protection, safeguarding consumers in Ireland and empowering them to understand and to exercise their rights.

To achieve our aim, we:

- ◆ Inform consumers of their rights through consumer information;
- ◆ Promote a strong consumer culture in Ireland through consumer education and awareness;
- ◆ Help business obey consumer law through our enforcement activities; and
- ◆ Represent consumer interests at all levels of local and national consumer policy development through targeted research and forceful advocacy.