

Sent: Wednesday 2 October 2019 16:28

To: Info <Info@aviationreg.ie>

Subject: Directive (EU) 2015/2302 on package travel and linked travel arrangements

Dear Gavin,

Further to your consultation paper on Consumer Protection I would like to make the following observations :

1. Generally speaking we are comfortable with the current bonding levels of 4% and 10% of projected licensable turnover. Most licenced travel agents and tour operators are Irish companies with close to 100% of their turnover arising from licensable activities. We are against a change to 8% and 20% of the new concept of eligible turnover. For travel agents 8% of eligible turnover is probably roughly similar to 4% of licensable turnover but why introduce this subjective calculation which will impose an administration burden on travel agents and will allow unscrupulous agents more of an opportunity to game the system?
2. For tour operators a change to 20% of eligible turnover will result in a doubling of current bonding levels which would not be sustainable and would drive most tour operators out of business. Charter airlines are paid anywhere between two and eight weeks in advance of travel date but this is not linked in any direct way to individual customer bookings. Therefore, these prepayments to airline suppliers would fail the “payments passed on to supplier immediately” test and would not be deductible when calculating eligible turnover. 10% of PLTO has proved to be a sufficient bonding level over many years and a change to 20% of eligible turnover would result in the withdrawal of many honest tour operators from the business while allowing dishonest operators to continue by submitting fraudulent estimates of eligible turnover.
3. We do not agree with any replenishment of the Travellers Protection Fund until we are given an explanation as to how Lowcost Holidays got away with such spectacular underbonding. At the very least we should be told their licensable turnover and the amounts certified by their auditors for the three years prior to their collapse. If the auditors certified incorrect figures then we are entitled to know what action has been taken against the auditors to recover losses suffered by the TPF.

Regards

Brian

Brian McGovern

Finance Director