

**Finance and Corporate Services**  
Information Management

10 January 2011  
FOIA reference: F0001105

Dear XXXX

I am writing in respect of your recent application of 4 January 2011, for the release of information held by the Civil Aviation Authority (CAA).

Your request:

“Would you please be kind enough to clarify the agreement and answer the following questions?

1. *How much of E-Clear's £32m chargeback liability related to licensable sales?*
2. *Am I correct in assuming that the agreement to which you refer absolves the concerned credit card companies from their chargeback obligations under section 75 of the consumer credit act as the moneys concerned would be refunded out of the Air Travel Trust instead?*
3. *Can you confirm that such an agreement is still in force?*

*\*I assume that by credit card companies that you mean merchant acquirers such as Barclays Merchant Services, LloydsTSB Cardnet and RBS Streamline”.*

Our response:

In assessing your request in line with the provisions of the Freedom of Information Act 2000, we are pleased to be able to provide the information below.

1. Merchant Acquirers are under no obligation to share data with the CAA, the CAA does not have any information on any chargeback arrangements between credit card issuers and merchant acquirers. XL's administrators may be able to assist.
2. The agreement between the ATT and merchant acquirers sets out circumstances under which the ATT will meet refund requests that would otherwise be paid by merchant acquirers. Although S 75 liability under the Consumer Credit Act 1974 lays the responsibility for refunds on card issuers, credit card scheme rules enable the card issuers to recharge those refunds back to the merchant acquirers of the failed company. The agreement establishes, for ATOL sales, whether customers should claim a refund from the ATT (via the CAA) or their card issuer.

Broadly speaking, if the financial resources set aside by the ATT for a failure is sufficient to cover all customer liabilities, the ATT will meet all claims. If it is insufficient then customers who paid the failed firm direct by credit card will be

**Civil Aviation Authority**

Aviation House GW Gatwick Airport South Crawley West Sussex England RH6 0YR [www.caa.co.uk](http://www.caa.co.uk)  
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instructed to claim a refund of their credit card payments from their card issuers. None of this absolves the credit companies from their legal obligations, but in practice where the ATT (through the CAA) pays claims then those claims will not reach the credit card companies, and even where claims are paid by the credit card companies they can recharge them to the merchant acquirer for the failed company.

3. The ATT publishes a list on the (ATOL) website of the Merchant Acquirers with whom it has entered agreements on the CAA following website link, <http://www.caa.co.uk/default.aspx?catid=1163&pagetype=90>. We have however, enclosed the list for convenience.

If you are not satisfied with how we have dealt with your request in the first instance you should approach the CAA in writing at:-

Mark Stevens  
External Response Manager  
Civil Aviation Authority  
Aviation House  
Gatwick Airport South  
West Sussex  
RH6 0YR

[mark.stevens@caa.co.uk](mailto:mark.stevens@caa.co.uk)

The CAA has a formal internal review process for dealing with appeals or complaints in connection with Freedom of Information requests. The key steps in this process are set in the attachment.

Should you remain dissatisfied with the outcome you have a right under Section 50 of the Freedom of Information Act to appeal against the decision by contacting the Information Commissioner at:-

Information Commissioner's Office  
FOI/EIR Complaints Resolution  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

[www.ico.gov.uk/complaints.aspx](http://www.ico.gov.uk/complaints.aspx)

Should you wish to make further Freedom of Information requests, please use the e-form at <http://www.caa.co.uk/foi>.

Yours sincerely

Rick Chatfield  
FOIA & EIR Case Manager

## **CAA INTERNAL REVIEW & COMPLAINTS PROCEDURE**

- The original case to which the appeal or complaint relates is identified and the case file is made available;
- The appeal or complaint is allocated to an Appeal Manager, the appeal is acknowledged and the details of the Appeal Manager are provided to the applicant;
- The Appeal Manager reviews the case to understand the nature of the appeal or complaint, reviews the actions and decisions taken in connection with the original case and takes account of any new information that may have been received. This will typically require contact with those persons involved in the original case and consultation with the CAA Legal Department;
- The Appeal Manager concludes the review and, after consultation with those involved with the case, and with the CAA Legal Department, agrees on the course of action to be taken;
- The Appeal Manager prepares the necessary response and collates any information to be provided to the applicant;
- The response and any necessary information is sent to the applicant, together with information about further rights of appeal to the Information Commissioners Office, including full contact details.

The ATT have entered into credit card agreements with the following merchant acquirers:

**Lloyds TSB Cardnet Merchant Services Ltd**

Cardnet House  
Paycocke Road  
Basildon  
Essex  
SS14 3HX

**Elavon Merchant Services**

Matrix House  
North Fourth Street  
Milton Keynes  
Bucks  
MK9 1JN

**The Royal Bank of Scotland Group**

Premier Place  
2 1/2 Devonshire Square  
London  
EC2N 4BA

**Barclays Bank plc**

Barclaycard House  
1234 Pavilion Drive  
Northampton  
NN4 7SG

**AIB Group (UK) plc**

4 Queens Square  
Belfast  
BT1 3DJ

**Bank of Scotland plc**

Basildon House  
Christopher Martin Road  
Basildon  
Essex  
SS14 9AA

**HSBC Merchant Services LLP**

51 De Montfort Street  
Leicester  
LE1 7BB

**Voice Commerce Limited**

Quern House  
Mill Court  
Hinton Way  
Great Shelford  
Cambridge  
CB22 5LD