
ATOL Reform Frequently Asked Questions

1. General Questions on Flight-Plus

1.1 What is Flight-Plus?

Flight-Plus is the term used in the ATOL Regulations 2012 to describe the type of holiday sale where a consumer requests to book a flight with accommodation and/or car hire at the same time or within a day, but where the way in which it is sold means that it is not a package holiday. These previously fell outside of the scope of the ATOL Regulations but from 30 April 2012 became “licensable bookings”. This means that you now need an ATOL to sell this type of holiday and that the consumer will benefit from ATOL protection. More details on how “Flight-Plus” is defined and what you have to do when selling it can be found in the ATOL Guide on Improving Holiday Protection, available [here](#).

1.2 Why was Flight-Plus being introduced?

The growth of airlines and the increase in telephone and Internet bookings means that the way holidays are sold has changed and there is much confusion amongst the public about whether their holidays are protected in the event of a travel company failure. Flight-Plus is part of the ATOL reform programme, which is designed to offer consumers greater financial protection, as well as improve clarity on which elements of their booking are protected.

1.3 Has Flight-Plus replaced packages?

No. Many businesses are selling holidays in a way that means that they are not packages. These have been termed as Flight-Plus in the ATOL Regulations 2012 and now require ATOL protection. These have not replaced packages, which are also ATOL protected and are subject to additional legislation (Package Travel Regulations).

1.4 What is the difference between Flight-Plus and packages?

A package has protection under the Package Travel Regulations as well as ATOL protection, whereas Flight-Plus only has ATOL protection. If you agree to combine a request for a flight and accommodation and/or car hire with other services and sell at an inclusive price, it is likely to be a package. Otherwise, in most cases it is likely to be a Flight-Plus. Businesses should take legal advice on whether such arrangements constitute a package or not. Advice is also available from the Department of Business, Innovation and Skills at www.bis.gov.uk.

1.5 Can holidays be sold as a package and Flight-Plus?

A package cannot also be a Flight-Plus, but may form part of a Flight-Plus if sold by an agent with additional overseas accommodation or car hire, at which point the agent must sell it under their ATOL as a Flight-Plus. If the arrangement is not a package, it is highly likely that it will be a Flight-Plus. It is important that businesses identify whether they are selling packages or Flight-Plus to ensure that they are fully aware of their responsibilities under the relevant Regulations.

1.6 Is there a Flight-Plus ATOL?

There is not an ATOL specifically for Flight-Plus. Firms selling Flight-Plus should apply for an ATOL, and this will enable them to sell Flight-Plus, as well as packages and Flight-Only. For details on how to apply for an ATOL, please see our website [here](#).

1.7 Can I act as principal for one or more elements under Flight-Plus?

Yes. It is irrelevant to Flight-Plus whether you act as principal or agent. However, you cannot sell Flight-Plus through other agents.

1.8 At what stage of the booking process is a Flight-Plus created?

A Flight-Plus is created when a customer “requests to book” a flight with accommodation or car hire. The request to book these components must be made within a day of each other. It is irrelevant as to when the booking is actually made or when the payment is taken for any of the components.

1.9 Is it a Flight-Plus when a customer requests to book accommodation a week after their flight?

No. A Flight-Plus exists when a customer requests to book a flight with accommodation and/or car hire either on the same day, or a day either side of the flight. As such, if the customer returns a week later, it is not a Flight-Plus.

1.10 Can I choose to sell a holiday as a Flight-Plus where the customer’s request to book the flight and accommodation falls outside the regulatory timescales?

Legally, a Flight-Plus is not created unless the customer requests a flight and accommodation and/or car hire on the same day or within a day either side. However, you can choose to sell this as a Flight-Plus by amending the documentation to redefine that the customer has made a new request to book the flight and accommodation at the same time. You can then issue an ATOL Certificate.

1.11 As a Flight-Plus arranger, I am now responsible for the failure of my suppliers. How do I protect myself financially against this?

The CAA is advising Flight-Plus arrangers to look at measures for protecting themselves in the event of supplier failure. For example, there are insurance policies available in the industry to cover such eventualities, and contributions may be available from the Air Travel Trust (see next question). However, the CAA is unable to recommend a particular product.

1.12 I understand that if the flights I sell as Flight-Plus are sold as agent for other ATOL holders, that the Air Travel Trust will make a contribution to me in the event of the ATOL holder's failure. What is the extent of that contribution?

The Air Travel Trust has published a proposed payment policy and has undertaken to meet claims from ATOL holders for flights where the supplier in a Flight-Plus was an ATOL holder and the Flight-Plus arranger was acting as agent. The Air Travel Trust has set an annual cap to each Flight-Plus arranger's claims at 2% of their annual licensable revenue (subject to a minimum £50,000 and maximum £2.5 million). Flight-Plus arrangers will also be required to pay the ATT a £25.00 administration charge for each passenger included in the booking that is subject to the claim. Details of the policy can be seen here.

1.13 My customer has also requested Disneyland tickets with their flight and accommodation. Do I include this with the Flight-Plus?

Yes. A Flight-Plus must include any other tourist services requested on the same day or within a day, that are not ancillary to the flight or accommodation, which account for a significant proportion of the Flight-Plus and have been sold in connection with it.

2. Questions Relating to Current ATOL Holders

2.1 As an existing ATOL Holder, do I need to change my ATOL?

If you already hold an ATOL, you may sell Flight-Plus under your ATOL. However, you will need to notify your ATOL case officer to ensure your ATOL authorisations are appropriate. All ATOL holders were written to in February 2012 and asked to complete a form relating to their breakdown of turnover. If you did not receive this letter or have a query relating to it, please contact your usual case officer or the ATOL team on 020 7453 6700.

2.2 I have previously been selling flight-inclusive packages. Can I now change these to Flight-Plus?

Businesses should take their own legal advice if they wish to alter their sales, to ensure that they are complying with the relevant Regulations. The CAA is unable to provide any guidance on this as it remains a legal and commercial decision for each individual business.

2.3 I am a Small Business ATOL holder (SBA) but my sales are likely to increase above 500 passengers once I report Flight-Plus under my ATOL. What will this mean for me?

You will require a standard ATOL. SBAs requiring standard ATOLs as a result of Flight-Plus will be required to provide their latest audited accounts. These will then be assessed according to our financial criteria. If you are concerned that your business may not be able to meet these criteria, we would advise you to discuss this with your case officer directly or the ATOL team on 0207 453 6700.

2.4 Can I sell Flight-Plus through agents?

No. Flight-Plus cannot be sold through agents. The agents themselves would need an ATOL to sell Flight-Plus.

2.5 What happens when an agent adds another component to an ATOL package?

If an agent provides a customer with overseas accommodation or car hire in addition to a flight inclusive package (if requested at the same time or within a day), this will be classed as Flight-Plus and require protection under the agent's ATOL. You may not be aware of this happening and thus you should continue to issue an ATOL Certificate for the package. However, the agent will not be required to pass this on to the customer, but will be obliged by the ATOL Standard Terms to pass on your Confirmation for the package.

2.6 I was the compliance manager for an ATOL holder. Can I now be the Accountable Person?

The compliance manager role has now been replaced by the requirement for an Accountable Person. In some circumstances the compliance manager may take on this role, although the ATOL Regulations will say that the Accountable Person needs to be a director of the company, the sole trader or a partner in a partnership.

2.7 I am in the process of creating new publicity material and booking conditions. What statement do I need to include on ATOL protection?

Please refer to ATOL Standard Term 1 of the new [Official Record Series 3](#) on Providing Information to Consumers before and after sale.

3. Questions Relating to Agents

3.1 Can I continue to act as agent for ATOL holders in the sale of flight-inclusive packages and Flight-only?

Yes. Agents may continue to sell in this way provided that they have a written agency agreement with the ATOL holder, which includes the Schedule of Agency Terms set down by the CAA linked [here](#). Agents must also ensure that they are issuing the ATOL Certificate in order to comply with the ATOL Regulations 2012.

3.2 Can I sell a Flight-Plus as agent for an ATOL holder?

No. Flight-Plus cannot be sold as agent. Agents require their own ATOL to sell Flight-Plus.

3.3 Can I add other tourist services when selling packages as agent for ATOL holders?

If you want to add overseas accommodation or overseas car hire to flight inclusive packages, you will need your own ATOL, as this is classed as a Flight-Plus under the ATOL Regulations 2012. However, this is limited to overseas accommodation and overseas car hire and does not apply to UK hotels or attraction tickets, for example.

3.4 The Regulations require agency agreements to be put in place. As an agent, does this mean that I need an agreement with each of my suppliers?

The Regulations state that ATOL holders must have written agency agreements in place with their agents selling flight-inclusive packages or Flight-Only. If an agreement is not in place, the agent will be in breach of the ATOL Regulations. The Regulations do not require ATOL holders or agents to have agreements in place with all of their suppliers, although this is considered good business practice.

3.5 Do agency agreements need to be signed and returned to ATOL holders?

No. There must be a written agency agreement (electronic or hard copy) containing the Schedule of Agency Terms set out by the CAA, linked [here](#). This must include the name of the ATOL Holder and its Agent. To obtain acceptance of new agency agreements, some ATOL holders may request their agents to e-mail their consent to the ATOL holder or refer to their website and tick a box to confirm consent to the agreement. Other ATOL holders may choose to issue new agency agreements to their agents, which the parties will be regarded as having agreed to the terms when the agent continues to sell as the ATOL holder's agent. Whilst, these methods are acceptable, the important thing to remember is that the agency agreement is the agent's evidence that they are acting as agent and do not need their own ATOL (except where arranging Flight-Plus). The agent may be asked to send this to the CAA at any time and it is therefore important that they have a copy of the agreement with the ATOL holder and the agent's details on it.

3.6 I am a member of a consortium, and my consortium usually handles things like agency agreements. Do I need my own written agency agreement now?

The CAA's Schedule of Agency Terms includes a term under which the ATOL holder can decide whether its agent can appoint sub-agents (Agency Term 10B). If the agreement in place between the ATOL holder and your consortia contains that term, you will not need your own written agency agreement. If it does not, then you should contact the ATOL holder and ask them to appoint you as their agent and provide you with a written agency agreement.

4. Flight-Plus Scenarios

4.1 Are cruises included within Flight-Plus?

Yes, in some cases. A cruise is classed as a package comprising among other things accommodation and can therefore form part of a Flight-Plus if requested at the same time or within a day of a flight departing the UK. Equally, if the cruise departs from the UK and the customer returns to the UK from an overseas destination by flight, this will also be a Flight-Plus. This assumes that the business has identified that the arrangement is not classed as a flight-inclusive package.

4.2 If I sell a cruise as a Flight-Plus but the flight is delayed and the customer misses the cruise, who is responsible for the customer?

The ATOL Regulations do not impose any legal obligations on Flight-Plus arrangers for these circumstances. Flight-Plus arrangers should seek their own legal advice regarding their contractual obligations.

4.3 Where the customer has booked their own international flight but has asked the travel agent to provide accommodation and an internal flight, is this a Flight-Plus?

A Flight-Plus must include a flight departing the UK or a flight into the UK, where the customer has commenced the journey from the UK using other transport, which was requested by the customer at the same time or within a day and made available by the agent. Consequently, this scenario would not be a Flight-Plus as the agent has not made available a flight into or out of the UK.

4.4 Do domestic flights require protection if included within a Flight-Plus?

No. Domestic flights do not act as a catalyst for creating a Flight-Plus and do not form part of a Flight-Plus.

4.5 If I add a transfer to a package, does this constitute a Flight-Plus?

No. It is only when overseas accommodation or car hire is added to a package, that a Flight-Plus is created.

4.6 I understand there is an exemption for corporate sales? What does this cover?

The exemption applies to sales of Flight-Plus and Flight-Only to a range of corporate bodies listed in the [Official Record Series 3](#). However, please note that the corporate exemption does not apply to sales to unlimited partnerships or sole traders. It also does not apply to flight-inclusive package sales.

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- 4.7 If I use the customer's credit or debit card directly on the airline's website, is this a licensable sale and does it therefore require ATOL protection?

The method of payment alone does not determine whether a sale is licensable or not. It is therefore possible that even where the customer's payment goes direct to the airline it could be a licensable sale. However, the CAA has introduced an exemption for the sale of Flight-Only where the customer's credit or debit card is used to pay the carrier directly and it is made clear on receipts and invoices that the flight is not ATOL protected. This exemption applies strictly to Flight-Only sales. If accommodation or car hire is requested to be booked at any time in connection with the flight, the exemption will not apply.

- 4.8 Do ATOL holders need to pay the ATOL Protection Contribution (APC) for packages where they are being sold on as a Flight-Plus?

APC should be paid on both the package by the original ATOL holder and then also subsequently on the Flight-Plus by the Flight-Plus arranger. The fact that an agent arranges a Flight-Plus using another ATOL holder's package holiday does not mean that the ATOL holder providing the package does not need to pay APC.

- 4.9 If a Flight-Plus arranger combines overseas car hire with an ATOL protected package which is then cancelled, if they then replace the package with another is a new Flight-Plus arrangement created and should an additional APC payment be paid?

In this scenario, a new Flight-Plus is not created and an additional APC payment is not due for arranging it.

- 4.10 If a customer requests additional components after a Flight-Plus has been sold, can I add these to the Flight-Plus?

There is no legal requirement to do this where the customer's request to book is outside the legal timescales. However, you can choose to reissue the ATOL certificate with all components included if you redefine it so that the customer has made a new request to book all the components at the same time.

- 4.11 I am a business based in the Channel Islands or the Isle of Man. Am I required to comply with the ATOL Regulations?

Where businesses in the Channel Islands or the Isle of Man make available Flight-Plus (or Flight-Only or flight inclusive packages) and sell either to consumers within the UK or to residents of the Channel Islands or the Isle of Man, they are required to comply with the ATOL Regulations where the flight departs from the UK (or the flight is into the UK where the consumer has departed the UK by another means). However, flights or flight-inclusive holidays that depart from the Channel Islands or any other Crown Dependencies, sold or offered for sale in the Channel Islands or any other Crown Dependencies do not come within the scope of the ATOL Regulations. This includes Flight-Plus, flight inclusive packages and Flight-Only.

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- 4.12 As a Flight-Plus arranger, I understand that I am now responsible for the insolvency of my suppliers. However, can you define where I should provide a refund rather than provide alternative flights; if the flights are more expensive can I choose to refund all monies instead?

The Flight-Plus arranger is responsible for sourcing and providing alternative arrangements where a supplier fails at no extra cost to the customer. A full refund should be the last resort, for example where no suitable alternatives are available or it makes the other arrangements wholly or partially unusable by the customer. A full refund should be mutually agreed by the customer and the Flight-Plus arranger as the best outcome.

5. **Flight-Only Sales**

- 5.1 I used to sell flight tickets as a ticket provider. Can I still do this?

The Ticket Provider exemption in the ATOL Regulations was replaced by a new exemption for persons acting as an Airline Ticket Agent. In order to sell flight tickets in this capacity and avoid the need to hold an ATOL, agents must issue confirmed tickets directly to the consumer in exchange for payment and are required to have a written agreement from the relevant airline, authorising them to do so. To act as an Airline Ticket Agent you need to obtain written agency agreements from the airlines you sell on behalf of, or alternatively you may sell as an agent for ATOL holders or apply for an ATOL.

- 5.2 As an IATA agent, do I need an ATOL for Flight-Only sales?

The CAA has published an exemption stating that accredited IATA agents are classed as having the appropriate authority from their airline, without requiring a separate written agreement and are therefore exempt from requiring an ATOL for Flight-Only sales when they conduct the following sales:

- i. issue an IATA member airline's ticket under the ticketing authority of that airline;
- ii. issue a non-IATA member airline's ticket under the ticketing authority of that airline through the IATA Bank Settlement Plan.

These tickets must be provided immediately to the customer in order to qualify as an airline ticket agent sale. Otherwise, the sale must be ATOL protected. Further details can be found on the ATOL website [here](#). The exemption can be seen in [Official Record Series 3](#).

Please note that this exemption does not include members of the IATA program, Travel Industry Designator Service (TIDS) as they do not have the appropriate authority. TIDS members will need to obtain the appropriate written agreement from each airline in order to qualify as an Airline Ticket Agent.

5.3 In Flight-Only, am I under the Airline Ticket Agent exemption if I am an IATA agent and book flights with and get tickets from an IATA agent (consolidator)?

No. Sales as an Airline Ticket Agent must be made directly to the consumer and not through other agents. Consequently, the consolidator cannot sell to you unless it is covered by their ATOL and you are their appointed agent.

6. ATOL Standard Terms

6.1 Are we now required to purchase an off-the-shelf business system?

No. The Standard Terms now require all ATOL Holders to have an electronic business system but this can be as simple as a spreadsheet provided that it meets the requirements set out in the System Requirements section of the ATOL Standard Terms, linked [here](#). The CAA is not requiring ATOL holders to purchase ready made business systems.

7. Applying for an ATOL

7.1 I am a Flight-Plus arranger and need an ATOL but am confused by all the different options available. What is the best method of protecting these sales?

There are four ways of protecting your sales as a Flight-Plus arranger:

- i. obtain an ATOL direct from the CAA;
- ii. obtain an ATOL through a Franchise organisation;
- iii. become a member of an Accredited Body and conduct sales under the Accredited Body's ATOL;
- iv. as an ABTA member, obtain an ATOL through the ABTA – ATOL Joint Administration Scheme.

The CAA has engaged with other organisations in order to provide the industry with a range of options for complying with the Regulations. However, it is up to each business to explore the options available in terms of which will meet their business needs and provide the most benefits to them in terms of services and cost. The CAA cannot recommend which option to take but has approved each arrangement to ensure that the consumer receives the appropriate financial protection. Further advice can be obtained from each individual organisation or from the CAA website [here](#). CAA licensing teams can also discuss the options on 020 7453 6700.

8. Consumer Awareness

8.1 What is the point of ATOL Reform if consumers are not aware of the changes?

ATOL Reform means changes for all travel companies, whether they are existing ATOL Holders or looking to obtain an ATOL for the first time. It is therefore imperative that before we can expect consumers to understand the changes, we work closely with the industry to ensure travel companies fully understand what the changes mean for them. The CAA will be engaging in a publicity drive in late 2012 and early 2013, to increase consumer awareness. We will be encouraging consumers to look for the ATOL logo to ensure that they are booking with an ATOL holder and to ask for an ATOL Certificate.