

ATIPAC

Air Travel Insolvency Protection Advisory Committee **Annual Report 2025/26**

June 2026

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Introduction from the Chair

We are pleased to present this annual report of the Air Travel Insolvency Protection Advisory Committee (referred to here as ATIPAC or the Committee), which covers the year to 31 March 2026.



A holiday is always a large household expenditure item. But the current cost of living pressures make it a stretch or even a luxury for many. Global geopolitical uncertainties can also undermine confidence. It is therefore important for consumers to be protected against the travel company failing after they have paid but before they have travelled; or worse still while they are abroad. The last time this happened on a large scale was late 2019, when more than 140,000 holidaymakers were flown back to the UK in an airlift organised by the Civil Aviation Authority (CAA).

The main components of financial protection for air travellers are:

- a thriving and competitive travel industry with financially resilient companies; and
- an appropriate and easily understood regulatory regime for consumer protection.

While some progress has been made, these are still not fully in place at the moment. In particular there remains a need for an easily understood regulatory regime appropriate for the modern travel market.

Fortunately, the travel sector experienced a very low number of failures in 2025/26. Consumer demand for ATOL-protected holidays (as at end March 2026) is up though there are some potential new challenges, which we will discuss. We are pleased that the review of the Package Travel Regulations led by DBT has made progress and hope that this will lead to concrete improvements being implemented. We are disappointed that the year saw little progress on the Airline Insolvency Review led by DfT, and the CAA's ATOL Reform, given the work already done.

The Committee appreciates that there is a limited amount of time available for Government to allocate to the concerns raised by the travel industry. Therefore, we would like to draw attention to the **recommendations** which we consider most needed by the industry:

- consumer protection in the event of airline insolvency;
- refunds from airlines when flights which are part of a package holiday are cancelled;
- coherent legislation for the travel sector;
- formalisation of Refund Credit Notes as an emergency measure; and
- a decision on ATOL Reform.

The Committee believes that introducing the above measures would help to build consumer protection and confidence in the sector. We welcome a response in due course.

Looking ahead to 2026/27, in addition to our regular and on-going programme of work, we shall be examining current and anticipated challenges for the sector such as the disruptive effects of AI and cryptocurrency, climate change and global geopolitical uncertainties.

We look forward to making further recommendations in the year ahead.



Iain Stewart CBE, ATIPAC Chair

The Role of ATIPAC

- 1.1 ATIPAC was created in 2000. Its role is to provide informed advice to the Secretary of State for Transport on financial protection of air travellers and customers booking with air travel organisers. This protection is mainly provided through the ATOL scheme which, broadly, licenses businesses to sell air package holidays and regulates contributions to the Air Travel Trust Fund (£2.50 per passenger since 2008) to provide customers of failed tour operators with refunds or repatriation to the UK as necessary.
- 1.2 The Committee meets quarterly and its membership is uniquely balanced between industry representatives with a breadth and depth of knowledge and experience from all areas of the sector, and independent consumer and passenger representatives. The Committee's Constitution and Terms of Reference are provided at Appendix A.
- 1.3 Committee membership terms are made for a fixed period of time, and in July 2025, Sandra Webber's term of office came to an end. Sandra had been ATIPAC's Chair from July 2018 to July 2025 and the Committee is grateful for her expert leadership during that time.
- 1.4 Committee members, Alan Bowen, Gary Lewis, and Kirsteen Vickerstaff's memberships also came to an end in 2025. We express our thanks for their many years of dedication and contribution.
- 1.5 In light of Sandra's departure, ATIPAC carried out a recruitment campaign for a new independent Chair from August 2025. There was an excellent field of candidates for the role, and we were delighted to appoint Iain Stewart CBE, former Chair of the Transport Select Committee. Also appointed at the same time was Paul Savage, who joined the Committee as an independent member in August 2025. The full list of members and observers in 2025/26 is included in Appendix E.
- 1.6 Given the diversity of its membership, individual views vary but we always aim to produce a consensus in our Annual Report and in our responses to Government consultations. It should also be noted that although the CAA provides the Committee's Secretariat function, it has no influence in shaping the views of ATIPAC.

Conducting ATIPAC Business

- 2.1 ATIPAC meets to discuss specific topics and also to compare notes generally from across the various parts of the travel industry. At each meeting we receive updates from Government colleagues in DfT and DBT about relevant policy developments. During the past year these have predominantly focussed on DBT's review of the Package Travel Regulations, and DfT's work on reforming the ATOL scheme which has been broadly the same for nearly 20 years despite changes in the travel market.
- 2.2 In addition, during the past year the Committee made an input into the CAA's work. In particular, we examined the obligation for companies to use the ATOL logo in advertisements to take account of social media advertising. The resulting guidance has since been published. We also discussed the CAA's horizon-scanning work, cyber security and the evolving payments landscape. The Committee was pleased to receive an update from the CAA on a UK261 Compliance Programme being carried out. Most recently we discussed AI and its impact, risks and opportunities for the industry, in particular in relation to consumer protection around bookings made by AI agents. These sessions were led by CAA representatives and gave ATIPAC members the opportunity to discuss the issues directly with those responsible for implementation and contribute their expert perspective.
- 2.3 The Committee has a pool of independent members recruited to bring in related expertise. Consequently, at the August meeting, the Committee was pleased to receive a presentation from one of the independent members, on the Current Restructuring Market Themes.
- 2.4 The Committee is looking into opportunities for collaborative working with like-minded committees, such as the CAA's Consumer Panel, to identify issues of mutual concern.
- 2.5 The Committee benefits from regular input from the Chartered Trading Standards Institute, who provide quarterly updates on holiday fraud and on travel-related complaints to the UK International Consumer Centre. These include issues such as poor customer-care after purchasing holidays from Online Travel Agencies (OTAs) based outside the UK, misleading advertising, and fraudulent websites.

Conducting ATIPAC Business (continued)

- 2.6 The Committee also receives regular updates from Citizens Advice on travel-related contacts that they receive. Recent queries and complaints made to the Citizens Advice consumer service are broken down as follows:

Financial Year	Non-package holiday related complaints	Air travel (general)	All package holidays
2023/24	4182	4313	3848
2024/25	3972	3519	3556
2025/26	4855	3296	3524

- 2.7 Package and non-package holiday complaints and enquiries as a proportion of total complaints received by the Consumer Service:

Financial Year	Non-package holiday related complaints	All package holidays
2023/24	1.3%	1.2%
2024/25	1.3%	1.1%
2025/26	1.5%	1.1%

- 2.8 Proportionally, we can see that since the 2024/25 financial year, there has been:

- a slight increase in complaints and enquiries relating to non-package holidays; and
- a static level of complaints and enquiries about package holidays.

Positives in the Past Year

Strong Consumer Demand for Package Holidays

- 3.1 Members have reported that for much of 2025/26 trading has been good from the point of view of consumer demand. The disruption of the Middle East conflict towards the end of the financial year is something which has obviously impacted consumer demand and we address that later.

Low Number of Insolvencies

- 3.2 The number of failures of package holiday organisers licensed under the ATOL Regulations (ATOL-holders) has been very low. During 2025/26 there have been nine which is in-line with recent years. The low rate of insolvencies over the past few years has provided the opportunity for the Air Travel Trust (ATT) Fund to rebuild¹. Appendix B shows the comparative data over a ten-year period.

Review of Package Travel Regulations

- 3.3 The Committee is very pleased that work in DBT has continued on reviewing the PTRs and members welcomed the consultation 'Package Travel – Updating the Framework 2025'. A Committee-wide response was submitted (Appendix C), and the Committee was pleased to see from DBT's response in December, the commitment to amend the Linked Travel Arrangements, and establish a 14-day period for refund of cancelled services. As Regulation 29 has been an area of concern to the Committee for many years, this progress is very welcome.

Engagement with Government

- 3.4 In addition to the above, the Committee also responded to DBT's 'Unlocking Business: Reform Driven by You' consultation, on the questions closest to ATIPAC's remit (Appendix D). As well as consultations, the Committee has benefited from continued input from DfT and DBT colleagues at our meetings. We are grateful for their attendance and the loan of conference rooms.
- 3.5 The Chair welcomed the invitation from the then Aviation Minister, Mike Kane, to meet with a Senior DfT Civil Servant in July 2025 to discuss the key areas of concern raised in the last Annual Report. Five of us met Michael Stark, DfT Deputy Director, Aviation Commercial, Strategy and Sponsorship (ACSS) Division, and had a valuable conversation about consumer protection and consumers' awareness of the limits of their protection. ATIPAC hopes to continue to develop and strengthen these relations with Government departments going forward.

¹The ATT Fund provides customers of failed tour operators with refunds or repatriation to the UK as necessary, and the latest audited accounts of the ATT show the Fund had £262m in cash at March 2025. This is compared with £185m at March 2024 and £117m at March 2024 (audited accounts). In addition to its cash reserves, the ATT also has access to an RCF of £75m.

Positives in the Past Year (continued)

Cyber Security

- 3.6 There are growing concerns about cyber security and the impact of a potential cyber attack. Given this, the Committee is pleased to see the Government commitment to strengthening the UK's cyber defences, as evidenced by the introduction of the Cyber Security and Resilience Bill.

UK261 Compliance Programme

- 3.7 The Committee has received an introduction to the CAA's UK261 Compliance Programme. As UK261 is a regulation which has been of interest to ATIPAC, members are pleased to note that this review is underway and will be interested to follow its progress.

Challenges in the Past Year

Geopolitical Impact

- 4.1 Inevitably political instability puts pressure on the travel industry. As has been widely covered, the Middle East conflict created airspace closures and flight disruption for passengers in the area and beyond. As we discuss later there is an incoherence in the legislation, in particular the PTRs, Air Passenger Rights (UK261), and, along with FCDO advisories, this is compounded during periods of crisis. The ATOL scheme is utilised if any ATOL-holders fail, including as a result of a conflict. However, in the case of a non-ATOL flight, there is no financial protection in place, and where travel is with a non-UK/EU airline, there is no obligation to repatriate the passenger beyond offering a refund. As is often the case, the administrative and cost-burden of navigating the different requirements may be particularly detrimental to SMEs, some of whom are reportedly facing an 'existential threat'. Whereas during the pandemic the Refund Credit Note (RCN) system was introduced as a protective measure, in this situation, in the UK, no such safeguard exists. ATIPAC notes that the EU has recently included the use of credit notes (termed 'vouchers') in the revision of the Package Travel Directive (PTD) in March 2026. The formalisation of the RCN system is something that ATIPAC has recommended for several years and we repeat the recommendation here.

Domestic Economic and Operating Environment

- 4.2 Around 1,600 businesses in the travel sector are currently licensed under the ATOL scheme to sell package holidays which include a flight. These range from very large to very small businesses. But costs are important for all of them, so as to keep holidays affordable for consumers. Members have raised the issue of the fiscal pressures which travel organisations are experiencing. In particular the challenges of the increased employer rate NI, Business Rates, National Living Wage and National Minimum Wage. This is, in turn, contributing to reduced employment levels and the implementation of recruitment freezes. In addition there is a pattern of customers booking later than before (typically 10 not 12 weeks in advance of travel); and many families opting to travel at Easter rather than the summer. All these changes can have an effect on the strength of holiday companies.
- 4.3 The operating environment is of even greater concern because holiday companies find themselves spending more time and resource sorting out problems not of their making, for example when their customers have to be re-booked following flight disruption due to weather or operational problems in airlines or airports. Border control difficulties also provide challenges and affect consumer confidence. The widely-reported cyber attack on Heathrow's check-in and baggage handling systems in September 2025 was a real-life example of the impact that a cyber attack could have on the industry.

Challenges in the Past Year (continued)

- 4.4 AI and its multi-layered impact on the travel industry has been discussed by the Committee. A particular question raised in the discussion is where the responsibility for a package holiday rests if the package (a flight plus a second travel service) has been created by AI. At the moment the PTRs place responsibility for a package on the travel organiser even if sold via an agent. However, the complexity of AI bookings and payments raises issues of consumer expectation and potential detriment. The Committee would like to see clarity on this point given the rapid growth in AI use, and is continuing discussions on this issue.

Sustainability

- 4.5 Climate-related events - Environmental issues, including forest fires, floods and storms are of concern to many in the travel market and can have a serious impact on small companies who specialise in destinations which are suddenly affected by natural disasters. Floods and droughts recently experienced in parts of Europe, such as Greece, Italy and Spain are the kinds of climate-related disasters which affect those who are yet to travel, or yet to book. Consumer attitudes are influenced by media reports and advice from the FCDO, and the industry has to respond to immediate circumstances and longer-term trends. In addition, the levying of local taxes in response to climate-related events can affect consumers' choice of destination. Non-emergency climatic changes are also a growing concern e.g. popular summer destinations becoming too hot and ski destinations having less snowfall than previously.
- 4.6 Over-tourism – Media reports from Spain and Italy reveal social tensions in certain destinations where tourism is economically important but local residents are protesting about negative impacts. For example, they argue that Airbnb accommodation causes housing shortages for permanent residents and pushes up prices; and that cruise ships cause pollution and bring in unmanageable crowds. Such protests are detrimental not only to cruise operators which hold ATOL licences but to package travel companies in general as they raise concerns about the friendliness of the destination.

Regulatory Environment

- 4.7 Legislative landscape - The financial protection regime for air travellers is fragmented across various regulations both European and domestic. It has grown up piecemeal and is difficult for consumers and travel organisers to understand. The Committee believes that, as well as reviewing specific legislation, an overall vision to move into the future on a planned basis is needed. In addition, since the EU exit, legislation which originated in the EU is under review both domestically and in Europe, leading to a divergence and further complexity (for example, the recent EU revision of the PTD), and ATIPAC would urge that cross-jurisdictional interplays are considered as part of any reform.

Challenges in the Past Year (continued)

- 4.8 Airline Insolvency Review (AIR) - AIR was published in 2019, and the Committee is keen to engage with the Government in taking this work forward at the earliest opportunity. In particular, we consider that Chapter 6, Enabling an Orderly Wind Down, presented some useful thoughts on enabling passengers to continue their journeys in the event of collapse of a large airline, or a failure in peak season when alternative capacity in the market may be insufficient. Soon after the report was published, the Thomas Cook group failed and, according to the National Audit Office, DfT paid £83 million towards the CAA repatriating stranded passengers who were not covered by the ATOL scheme.
- 4.9 Regulation 29 and UK261 - There is confusion because, in the event of a flight cancellation, two different regulations require the airline and the package holiday seller (if applicable) to refund passengers. Air passengers' direct rights in the event of flight delays and cancellations stem from UK261. The original European legislation itself is under review, and previous UK consultations have looked into specific problems including the interaction with the rights of package holiday consumers which stem from separate legislation: Regulation 29 in relation to the 14-day obligation for tour operators to refund consumers. As we discussed above, the incoherence in the legislation, in particular the PTRs and UK261, is especially acute during periods of crisis. The burden of the obligations falls disproportionately on SME travel businesses, and potentially on the consumer. As noted before, ATIPAC was pleased to see in DBT's response to the 'Package Travel – Updating the Framework 2025' consultation, the proposal to establish a 14-day period for refund of cancelled services and for any additional redress rights (outside of any ticket refunds) to be clarified. This is welcome progress, however, the efficacy of the wording will need to be kept under review to ensure it does not unduly alter the balance of the regulation or add further uncertainty.
- 4.10 ATOL Reform – The ATOL Reform project commenced in 2021 with a first phase of consultation. This related to how ATOL-holders fund their operations and how the use of their customers' monies should be considered within the regulatory regime. A further consultation, with preferred options, was envisaged for 2025. This has not yet happened, however, and members have expressed concern regarding the ongoing uncertainty within the industry. The Committee would therefore encourage the Government to progress this issue to a decision as a matter of urgency, noting our further recommendation to have a more coherent regulatory landscape.
- 4.11 Any decision on further ATOL Reform should carefully take into consideration the headwinds that the UK travel industry has had to contend with in recent years and the sizeable surplus/positive balance in the ATT Fund administered by the CAA. This is despite major events such as COVID-19 and more recent geopolitical/ conflict events, which added to the limited number of ATOL-holder insolvencies that have occurred in the past few years, have not had a material impact on the solvency and robustness of the Fund.

- 4.12 With that in mind, and given the ongoing level of regulatory changes that the travel industry must constantly have to adapt and adjust to (including the upcoming changes to the PTRs), one option may be for the UK Government to consider pausing further ATOL Reform. Or at least for the time being and, perhaps instead, to focus on a more holistic and joined-up regulatory reform approach in future that will aim to: a) address the present inequality in the obligations and exposure between travel companies and airlines across the sector; b) strengthen UK consumer rights and trust; and c) support business innovation and growth within the UK travel industry. Any decision, including the option to pause ATOL Reform, should be conveyed to the industry to avoid further uncertainty.
- 4.13 Consumer Credit Act Reform/BNPL - ATIPAC has a particular interest in the areas of Buy-Now-Pay-Later (BNPL) and Section 75 credit card protection from the perspective of the sector, ATOL and consumer protection. In particular changes to the BNPL Regulation which will take effect in mid-2026 and the ongoing reform of the Consumer Credit Act (CCA). ATIPAC will follow the progress of this work going forward, with particular focus on any implications on consumer financial protection.

Recommendations

Airline Insolvency (AIR)

- 5.1 Whenever a large airline fails there is heightened interest in new legislation to protect consumers, as at present protection applies only to package holiday customers. As has been discussed, AIR was a substantial piece of work carried out in the wake of the Monarch Airline failure, and the Committee would like to see it taken forward in the year ahead.

Refunds from Flight Delays and Cancellations

- 5.2 ATIPAC is pleased to note the progress on Regulation 29 and the proposal to establish a 14-day period for refund of cancelled services, and looks forward to its implementation. We would, however, urge careful consideration of the proposal wording, to ensure clarity. In addition, a code of practice (setting out respective payment obligations) could be a tool managing business relationships fairly. This would give consumers greater clarity and confidence.

Coherent Legislation

- 5.3 ATIPAC has welcomed and contributed to previous Government consultations on air passenger rights and package holiday rights. As an overall point we would urge, however, that any changes move towards a coherent regulatory landscape which is easy for businesses and consumers to understand. The current protections have grown up separately and stem from different sources. Some, originated in the EU, and are now being reviewed by the EU and UK concurrently, leading to a potential divergence. ATIPAC understands that a major consolidation may not be a legislative priority but urges that any changes that are made with a view to their interaction with each other.

Refund Credit Notes (RCNs)

- 5.4 The RCN system was invented at short notice and was beneficial in keeping many businesses operational during the pandemic. This had no basis in law but was negotiated between all parties including the Government in 2020. It enabled consumers to accept, voluntarily, an RCN rather than the refund they were entitled to at a time when the industry could not afford the unprecedented scale of mass refunds. The impact of the Middle East conflict is an example of a period of crisis in which RCNs could be utilised to help safeguard businesses. We note that the PTD now includes RCNs ('vouchers'), and in-line with our previous reports we repeat our recommendation for the establishment of a similar formalised structure in the UK.

ATOL Reform

- 5.5 As discussed above the Committee would urge the Government to reach a decision on whether to consult on proposals for ATOL Reform to avoid further uncertainty within the travel industry.

Conclusion

- 6.1 To conclude, the Committee appreciates that there is often a limited amount of time available for the Government to allocate to the concerns raised by the travel industry. Therefore, members would like to draw attention to the recommendations which are considered most needed by the industry:
- consumer protection in the event of airline insolvency;
 - refunds from airlines when flights which are part of a package holiday are cancelled;
 - coherent legislation for the travel sector;
 - formalisation of Refund Credit Notes; and
 - a decision on ATOL Reform.
- 6.2 The Committee believes that introducing the above measures would reduce the risk of further travel firm failures and help to build consumer confidence in the sector. Members would welcome a response to these requests in due course.

Appendix A

Constitution and Terms of Reference

Establishment and Role of the Committee

1. The Air Travel Insolvency Protection Advisory Committee ("the Committee") is established by the Secretary of State for Transport to advise on the financial protection arrangements for air travellers and customers of air travel organisers.

Composition of the Committee

2. The Committee is established as an expert advisory group. The Committee comprises up to twenty members who are selected on the basis of their skills, knowledge, and experience, with a balance between members drawn from the travel industry and independent members. Industry members will be those drawn from experts working within the travel industry, in particular those with current, relevant experience in the travel agent, tour operator, third party protection arranger and airline sectors. The composition of the industry membership will be such that there is an appropriate mix of industry members that reflect the broad and changing nature of the travel industry.

3. The remaining members are independent ("independent members") in that, although they might be acting in an advisory capacity to companies in the sector (for example in the areas of finance, insolvency, management consultancy, etc), they are not currently employed directly by a travel industry company. The independent members will ideally include individuals with current, relevant experience in consumer protection, for example consumer policy, consumer advocacy, etc. The Chair of the Committee is always an independent member.

Observers

4. In addition to the membership of the Committee, representatives from a number of organisations may attend and contribute at Committee meetings as observers. Observers do not have the status of Committee members under these Terms of Reference.

5. Members of the CAA and the Trustees of the Air Travel Trust ("the Trustees") may sit on the Committee as observers. Department for Transport ("DfT") officials, and any other departmental officials invited by DfT officials, may sit on the Committee as observers. Members of Trading Standards and Citizens Advice may also sit on the Committee as observers. Members of other regulators or non-departmental public bodies (NDPBs) or similar bodies may also be invited by the Chair of the Committee to participate in meetings, as appropriate.

6. The Chief Executive of the CAA, in consultation with the Chair of the Committee, will identify organisations to nominate observers to sit on the Committee.

Appointments to the Committee

7. Appointment of members will be made by the Chief Executive of the CAA in consultation with the Chair of the Committee. Appointments will ordinarily be for a term of up to four years which may be extended for a maximum of up to two years. However, exceptional circumstances will permit different appointment arrangements to be made. Members may resign at any time without the need for notice to be given.

8. If the Chief Executive of the CAA is satisfied that a member has been absent from meetings of the Committee for more than three consecutive meetings or is satisfied that a member is otherwise unable or unfit to discharge the functions of a member of the Committee the membership may be declared vacant.

Meetings of the Committee

9. In consultation with the Committee, the Chair shall determine the Committee's procedures for and frequency of meetings, including any requirement for a quorum.

10. The Chair may set up working groups to consider and report on specific issues. Although such groups will normally be made up of Committee members the Chair may invite others with particular expertise to participate at their discretion.

Duties of Committee

11. The Committee shall keep under review and from time to time advise the CAA, the Trustees, and the Secretary of State for Transport on the arrangements for the financial protection of air travellers and customers of air travel organisers. If the Committee considers its advice or Annual Report ought to be shared with any other Secretaries of State, or if any other action is considered necessary to take, it will notify the Secretary of State for Transport accordingly, who will then take any actions that they see fit.

12. In particular it shall:

- advise the Trustees, the CAA, and the Secretary of State for Transport on policies they should pursue to protect consumers;
- advise the CAA and the Trustees on payment policy and the use of their discretion when making payments from the Air Travel Trust (The Payment Policy);
- advise the CAA how they can promote awareness of Air Travel Organiser's Licence ("ATOL") protection to consumers and consumer expectations of protection;
- advise on agreements between the Trustees, the CAA and third parties such as credit card companies where there are no commercial sensitivity issues;
- advise on current market conditions, emerging market trends and, where appropriate, their potential impact on consumers and the financial protection arrangements; and
- advise the CAA and the Trustees on the financial viability of the Air Travel Trust.

13. By the end of June each year, the Committee will produce an Annual Report for the previous financial year on its activities which is submitted to the CAA, the Trustees, and the Secretary of State for Transport.

Administrative Arrangements

14. Independent Committee members will be remunerated at an appropriate daily rate to be determined at the time of appointment. Reasonable out of pocket expenses¹ directly incurred by members of the Committee in attending meetings shall be reimbursed by the CAA.

15. The CAA shall be responsible for ensuring administrative support to the Committee.

Issued by:

The Department of the Environment, Transport and the Regions April 2000

Amended by the Department for Transport July 2006

Amended by the Department for Transport September 2014

Amended by the Department for Transport December 2023

¹ In accordance with the CAA's Travel & Related Expenses Policy.

Appendix B

ATOL-Holder Failures

ATOL-Holder Failures Financial Year 2025/26

Failure Date	ATOL-Holder	ATOL No.
04/04/25	Ahmed Tours & Travels Ltd	9775
13/06/25	Great Little Escapes LLP	5933
06/08/25	Adventure Lifesigns Ltd	9303
17/09/25	Travel Safe Services Ltd	12242
20/11/25	Ickenham Travel Group Ltd	4950
01/12/25	Regal Routes Ltd (previously 360 Travel Group Ltd)	12046 (lapsed 30/09/25)
13/01/26	Regen Central Ltd	11020
20/01/26	Simply Florida Travel Ltd	12637
21/01/26	Asiara UK Ltd	12439

ATOL-Holder Failures from Financial Year 2016/17 – 2025/26

Year	No. of Failures
2016-17	19
2017-18	9
2018-19	9
2019-20	8
2020-21	34
2021-22	15
2022-23	8
2023-24	6
2024-25	7
2025-26	9

Appendix C

ATIPAC Response to the Package Travel Legislation: Updating the Framework, published by DBT on 7 April 2025

Observations of the Committee

Although there is no question on this in the current consultation (but there was in the previous Call for Evidence), the Committee remains of the view that the Government should formalise how to cope with emergencies such as a pandemic. The regulations were not designed for a situation where all holidays were cancelled and companies obliged to refund all customers within 14 days. The Government and industry did find a work-around through Refund Credit Notes, but we are now living with regulations which we know are not fit for purpose or practicable in extreme circumstances.

Some of the current consultation questions are not relevant to ATIPAC's remit as they do not affect package holidays which include a flight. The comments below therefore represent ATIPAC's views on the questions from the sections most pertinent to our remit.

ATIPAC's Response

Section 1: How rules should apply to UK-only package holidays

Options

- *Remove domestic packages from the scope of the regulations, unless they include transport of passengers*
- **Keep all domestic packages in scope of the regulations**

Q1. Do you think that domestic-only arrangements that do not include travel should be exempt from the regulations? a) Yes; **b) No**; or c) I do not know

The question refers to all packages which "include transport". The consultation text however refers to transport at the start or end of the trip. ATIPAC wishes to point out that there could be transport during the trip but not at the start or end; for example between two or more events. To avoid difficulties of interpretation, the wording needs to clarify whether **any** transport element protects the package or just at the beginning or end.

More generally, although the proposal does not affect flight packages, ATIPAC would not welcome a reduction in consumer protection and thinks that inconsistency in treating packages would be confusing. Also, some sporting and cultural events are not paid for by credit card (which would give the consumer section 75 protection). We understand the need to balance consumer protection with burdens on business but would prefer to see all packages remain in scope.

Section 2: Regulation of linked travel arrangements (LTAs)

Options

- Leave LTAs as they are
- Retain the LTA category but seek to limit the ways in which an LTA can be created.

Q4. What do you think the regulatory position on linked travel arrangements should be? a) Kept as it is; b) Simplified by extending the scope of type A and removing type B; **c) Something else** or d) I do not know

Overall the Committee agrees that linked travel arrangements (LTAs) are confusing for consumers and sellers and offer limited protection. The Package Travel Directive is being reviewed in the EU and there is a possibility that the LTAs could be removed. In that instance UK companies could potentially have to abide by two different regimes if LTAs are retained domestically. ATIPAC's response to the related question in the 2023 Call for Evidence was that they should be removed, and that stance remains the same for most of the Committee. It was noted at a recent Committee meeting, however, that there is a minority view with some being of the opinion that LTAs have been brought in for a purpose and removing them would undo that.

Section 4: Territorial restrictions on insurance cover

Options

- Widen territorial restrictions to allow for insurers to be based outside of the UK, Channel Islands or the Isle of Man
- **Keep them as they are**

Q9: What should we do concerning insurance cover for insolvency protection providers? a) Relax territorial restrictions to allow supply by those regulated outside the UK, subject to protections being developed; **b) Retain the requirements as they currently are**; c) Something else; d) I do not know

Overall the Committee feels that widening territorial restrictions on insurance cover to countries outside of the UK would make checking more difficult given the amount of fraud and scams these days. Air packages are anyway subject to separate regulation but we would not like them to follow such a precedent. Within the Committee there is, however, a minority view that widening territorial restrictions could provide a positive step towards enabling greater flexibility and/or increased competition on insolvency protection solutions for travel businesses in the UK. Any extension would, however, need to be strictly on the basis that foreign insurance providers who are regulated outside the UK are duly approved/authorised to provide coverage in the UK market.

Section 6: Redress from third parties (Regulation 29, 14 day refund)

Q15: Should the regulations be changed to require suppliers to provide redress to organisers within 14-days? **a) Yes**; b) No; c) I do not know

The Committee has heard reports of package travel organisers struggling to obtain refunds from airlines, having already refunded the consumer for cancelled flights; of airlines refunding package organisers who have not passed the money on to the consumer; and of airlines not knowing that flights are being purchased for a package. The Committee considers that clarity is needed. It is important for consumers to receive their refund promptly.

On the other hand, there needs to be a system to prevent duplication of refunds. If there is a duty on the package travel organiser to refund the customer proactively, then it follows logically that the organiser must be able to obtain redress otherwise it will face the risk of having to absorb the loss, increasing the risk of insolvency; and the airline must be relieved of its separate obligation to refund the consumer for that flight. Conversely if the airline has refunded its passenger, the package travel organiser should be relieved of its obligation for that refund. This complexity of communications could potentially be addressed by code of practice. During the COVID-19 pandemic, many holiday companies stayed solvent only because their customers voluntarily accepted Refund Credit Notes instead of taking up their right to a refund within 14 days.

Redress from third parties and refunds from airlines (when flights which are part of a package holiday are cancelled) are topics of much concern for the Committee and have been included in our Annual Report recommendations for several years. We find that Regulation 29 and the 14 day refund issue are still of concern despite the 2023 Court ruling¹. Clarification is still needed along with a time obligation of less than 14 days for suppliers to refund the package travel organiser. This time obligation would need to be sufficient to allow for the organiser to receive the funds and process the consumer refund within the 14 day deadline.

Conclusion

The remit of the Committee is to advise on issues which affect ATOL-holder insolvency, including the financial health of the sector and the underpinning legislation. To this end, and in summary, the Committee's response to the *Package Travel Legislation: Updating the Framework* Consultation is as follows:

- to retain domestic-only arrangements (with or without transport) within the scope of the legislation;
- to remove LTAs from the Regulations;
- to retain the territorial restrictions for insurance; and
- to improve redress from third parties and refunds from airlines (when flights which are part of a package holiday are cancelled) in order to facilitate customers receiving swift refunds without risking the financial viability of the travel organiser.

The Committee would like to thank the DBT for the opportunity to respond to this Consultation and hopes that the specific examples and recommendations provided will be beneficial in informing future legislation. The Committee would welcome any updates or further consultation in due course.

¹On the Beach Ltd & Others v Ryanair UK Limited & Others [2023] EWHC 2694 (Comm).

Appendix D

ATIPAC Response to the Unlocking Business: Reform Driven by You Consultation, published by DBT on 21 October 2025

Background

Financial protection of customers booking with air package travel organisers is mainly provided through the Air Travel Organisers' Licencing (ATOL) scheme. This, broadly, licenses businesses to sell air package holidays and regulates contributions to the Air Travel Trust Fund to provide customers of failed tour operators with refunds or repatriation to the UK as necessary. However, in addition to ATOL regulations, financial protection in this area of travel is underpinned by other areas of legislation, from different Government departments. The complexity, and associated burden, of some legislation has been raised regularly in the ATIPAC Annual Report, and recommendations to address the challenges raised by it have been put forward. For the purposes of this response, we re-iterate the points raised in the Annual Report, and focus on the following regulations:

- Regulation UK261 (previously EU-261/2004)
- Regulation 29 of the Package Travel and Linked Travel Arrangements (2018)

ATIPAC's Response to Section 1: Identifying Regulatory Burdens to Business Growth and Innovation (Question 1)

- a) *Are regulations in your sector imposing unreasonable costs on your business's current activities? **Yes**; No*
- b) *Are there regulations which are limiting your ability to grow your business further and/or innovate for the future? **Yes**; No*
- c) *Do you think regulations in your sector are creating more unnecessary problems (costs or restrictions) for certain types of businesses or business activities than others? For example, do they affect small businesses differently from large ones, or impact certain business models more heavily than others? **Yes**; No*
- d) *If you have answered 'yes' to any of the above questions, please give specific examples with evidence below, if possible naming individual regulations or regulatory activities.*

As raised in our previous Annual Report¹, in the event of a flight cancellation, two different regulations require the airline and the package holiday seller (if applicable) to refund passengers. Air passengers' direct rights in the event of flight delays and cancellations stem from European Regulation, now written into UK law as Regulation UK261. The European legislation itself is under review, and previous UK consultations have looked into specific problems including the interaction with the rights of package holiday consumers which stem from separate legislation: Regulation 29 of the Package Travel Regulations.

Under this, tour operators are required to refund customers within 14 days if their holiday is cancelled. But the cancellation may be caused by a third party supplier such as an airline or hotel, whom the package travel seller has already paid so does not have the customer's money to refund. Regulation 29 is about seeking redress from third parties which contributed to the event but its meaning has been disputed. From the business perspective, ATIPAC has heard that some tour operators and travel agents have borne costs which should have been borne by airlines; and conversely some have been slow in passing back to the consumer refunds provided by airlines. Despite the Court ruling² in 2023 regarding Regulation 29, the 14-day refund issue has still been of concern. Clarification is needed along with a time obligation of less than 14 days for suppliers to refund the package travel organiser. We recommended in our report that this time obligation would need to be sufficient to allow for the organiser to receive the funds and process the consumer refund within the 14-day deadline. As this has been an area of concern for ATIPAC for some time, the Committee was pleased to note in the DBT's response to the 'Package travel – updating the framework 2025'³ consultation, the proposal to establish a 14-day period for refund of cancelled services and for any additional redress rights (outside of any ticket refunds) to be clarified. The proposal wording will need to be carefully reviewed to ensure it does not unduly alter the balance of the regulation or add further uncertainty. We look forward to seeing this being introduced in due course.

As an overall point, and one which we have also made in our Annual Reports, we would urge that any changes move towards a coherent regulatory landscape which is easy for businesses and consumers to understand. The current protections have grown up piecemeal and stem from different sources. ATIPAC understands that a major consolidation may not be a legislative priority but urges that any changes are made with a view to their interaction with each other.

Conclusion

The remit of the Committee is to advise on issues which affect ATOL-holder insolvency, including the financial health of the sector and the underpinning legislation. To this end, the Committee's response to the *Unlocking Business: Reform Driven by You* consultation has focused on the first question, as most relevant to the Committee's key areas of concern.

The Committee would like to thank the DBT for the opportunity to respond to this consultation and hopes that the specific examples and recommendations provided will be beneficial in informing future legislation.

The Committee would welcome any updates or further consultation in due course.

¹[ATIPAC Annual Report 2024/25](#)

²On the Beach Ltd & Others v Ryanair UK Limited & Others [2023] EWHC 2694 (Comm).

³Dated 2 December 2025.

Appendix E

ATIPAC Committee Members & Observers

Iain Stewart CBE, Independent Representative and Chair

Iain took over as ATIPAC Chair in August 2025. Iain was the Member of Parliament for Milton Keynes South between 2010 and 2024, and was a Government Minister between 2018 and 2022. He was also Chair of the cross-party Transport Select Committee of the House of Commons from 2022-2024. Since leaving Parliament, Iain has developed a portfolio career, working as a freelance consultant with Milton Advisers, an independent external member of Transport Scotland's Audit & Risk Committee, and as a Technical Adviser and Secretary to the Stansted Airport Consultative Committee.



Will Bicknell, Industry Observer

Will is the CEO and founder of Felloh, a payment operations platform designed from the ground up for the travel industry and a board member of Travel by B Corp, a collective of B Corp certified travel companies. Having previously run a tour operator for over a decade and as chief innovation officer for fintech he has valuable experience in travel, payments and data.



Samantha Bradbury, Industry Representative

Samantha has been with the Assured Underwriting Group since 2004, initially in a compliance and regulatory support role with Travel & General Insurance before moving to ABTOT in 2016. As Membership Director, Samantha is the primary point of contact for ABTOT and the ABTOT ATOL Franchise and is responsible for overseeing the annual membership renewals, dealing with day to day membership enquiries, monitoring and declaration and reporting submissions. Samantha works closely with other Industry Associations and the ABTOT Associates, presenting at internal and external events.



Christina Brazier, Industry Representative

Christina is Head of Industry Affairs at AITO - The Specialist Travel Association. Before joining AITO, Christina served as Senior ATOL Manager at the CAA, where she led licensing, crisis management and ATOL policy development teams. She then brought her regulatory expertise to the Travel Trade Consultancy Group as Operations Director and Business Consultant, advising businesses on financial protection and regulatory compliance.



ATIPAC Committee Members & Observers (continued)

Andy Cooper, Industry Observer

Andy is a consultant providing specialist compliance services to the travel industry. He has held a variety of legal, compliance and public affairs roles in the tour operator and aviation sectors for the past 35 years, working primarily for the larger vertically integrated travel businesses. He is a former Chair of the ABTA Code of Conduct Committee, and a former director of the Travel Foundation.



Ruth Curtis (nee Sloan), Independent Representative

Ruth qualified as a Solicitor in 2009 and worked in-house for the AA and Saga undertaking work on consumer terms, ship re-fits and various travel industry legal issues. She went on to become a Senior Legal Counsel at NATS (National Air Traffic Services) working across various departments and providing strategic advice to the business across multiple jurisdictions. She currently acts in a quasi-judicial role sitting as a Chair and Legal Advisor for medical tribunals for the MPTS and also as a tribunal member for CIMA (Chartered Institute of Management Accountants) as well as Police Misconduct panels.



Bharat Gadhoke, Industry Observer

Bharat is a seasoned professional in the travel industry with a rich experience spanning 27 years. His journey in the industry has seen him work in almost every aspect of travel, including travel agency operations, tour operating & sales, and contracting. For the last 10 years, Bharat has been dedicated to supporting and representing members of AITO. This diverse and extensive experience has shaped his ability to provide sound counsel on a wide range of issues - whether it's complex problems that require in-depth analysis or simple advice that leverages his years of experience.



Matt Gatenby, Industry Observer

Matt is Senior Partner at the law firm Travlaw, with nearly 25 years of experience in travel and law having started his career at Thomas Cook within their customer services in-house legal team. Since joining Travlaw in 2008 Matt has been appointed to various roles through to his current status as joint owner and Senior Partner and has for many years lead the Commercial & Regulatory aspect of Travlaw's work – a team highly regarded, and ranked in both Chambers and Legal 500. A popular speaker, Matt is often asked to deliver training, seminars and appear on panel debates as well as being asked for insights by the travel & wider media.



ATIPAC Committee Members & Observers (continued)

Richard Hawes, Independent Representative

Richard is an Advisor at Teneo, a global advisory practice. Richard advises corporates of all sizes and their stakeholders on financial restructuring matters. He is also a member of the ICAEW Insolvency Licencing Committee that helps to regulate the Insolvency profession. During his career, he has been involved in supporting a number of businesses in the travel sector and has a wider experience with consumer-focused businesses.



Kate Hobson, Consumer Representative (Observer)

Kate has worked in consumer advice since 2002. She has worked for national Citizens Advice since 2012 where she is the senior consumer expert. The role focuses on how changes to consumer protection impact advice given to consumers.



Rachel Jordan, Industry Representative

Rachel is ABTA's Director of Membership and Financial Protection. Prior to this she worked within professional services at KPMG and EY. During this time she has advised some of the world's largest insurance companies on complex regulatory and risk matters, including global strategy, transformation and Brexit preparation. Prior to consulting, Rachel spent five years at the Financial Ombudsman Service - initially as a Senior Adjudicator, before being appointed as Ombudsman - where she acted as an independent point of liaison between consumers and financial businesses, to resolve disputes.



Julia Lo Bue-Said D.Litt OBE, Industry Representative

Julia is one of the UK travel industry's pre-eminent leaders having led the Advantage Travel Partnership Group since April 2018. During this time, she has transformed the business and become the leading voice of the industry. As CEO, Julia is responsible for the overall strategy and vision for the Group. She has continually improved the Group's profitability and shareholder value, and constantly delivered annual dividend payments to shareholders. Julia also provides leadership to all the Group's subsidiaries including Global Travel Network and Advantage Financial Services Ltd. Julia has been recognised with many industry awards and is held in high esteem for her tireless campaigning during the covid 19 pandemic.



ATIPAC Committee Members & Observers (continued)

Debbie Meredith, Independent Representative

Debbie is a fully qualified Management Accountant and certified Six Sigma Black Belt with a Masters in Strategic Quality Management. She has a strong background in Finance and Change Management with successful experience of creating, managing and delivering the processes required to run a portfolio of global change programmes. Debbie has worked at Barclays for 14 years and is a key member of the management team for the Disability, Neurodiversity and Mental Health Employee Resource Group and has organised flagship events. Debbie is physically disabled herself. At the start of her career Debbie worked in Air Traffic Control in the Royal Air Force which is where she found her passion for all things related to air travel.



Nelson Neves, Industry Representative

Nelson is an experienced travel industry lawyer, having worked in the sector for over 25 years. He is Legal Director for one of the world's largest online travel companies, Expedia Group, with responsibility for matters relating to travel licensing and (consumer) financial protection across Europe and in other global regions. Expedia Group, Inc. is a publicly listed company on NASDAQ and its mission is to power global travel for everyone, everywhere.



Peter O'Broin, Industry Representative

Peter joined IATA in 2019 and leads IATA's government affairs work in the UK and Ireland. Peter has 17 years' experience in the transport sector and has worked across a range of political, policy, and advocacy roles. Before joining IATA, Peter spent four years working for the UK Airport Operators Association and prior to this he spent eight years in Brussels, where he worked as a political adviser specialising in EU transport and EU Budget policy.



Joel Reindorp, Industry Representative

Joel is Head of Legal (Litigation) at easyJet where he is responsible for commercial and consumer-related legal matters. He previously served in the legal team at Monarch Airlines, gaining key insight into the industry regime. He advised both in private practice and in-house prior to his move into airlines.



ATIPAC Committee Members & Observers (continued)

Paul Savage, Independent Representative

Paul is a portfolio Non-Executive Director with 25 years of senior director leadership across manufacturing, agriculture, and FMCG. Paul runs Savage Performance Consulting, helping growth-stage agri-food and FMCG businesses strengthen governance, strategy, and stakeholder engagement. With a cooperative mindset, commercial rigour and hands-on experience of navigating regulated, high-pressure environments, he is passionate about widening boardroom talent. Paul speaks and mentors on pathways for new NEDs, inclusion, and climate-smart growth across the UK business landscape.



Richard Talboys, Independent Representative

Richard was, until retirement, an Executive Director of Willis Towers Watson (Willis) and on the GB management team of their Financial Solutions Division, the leading global Credit and Political Risk broking specialist. He worked 36 years with Willis, acting for global corporate and banking clients. He has worked for 49 years in Trade & Export Credit Risk insurance and surety bonding and is known as the leading expert in complex and bespoke major account “Excess of Loss” credit insurance policy structures. Richard has been closely aligned to the ATOL financial protection scheme, having set up and managed the unique Licence Holder insurance programme which reinsured the ATT from 2008-2020, and also arranged settlement of the Thomas Cook claim (the largest single claim in trade credit insurance).



Bruce Treloar, Consumer Representative (Observer)

Bruce is the Chartered Trading Standards Institute’s Lead Officer for the Holiday & Travel Industry with over 40 years of experience as a practising trading standards officer.



Claire Whyley, Independent Representative

Claire is a highly experienced consumer research and policy professional, specialising in consumer needs, decision-making and outcomes across a wide range of markets including financial and payment services, energy, water, retail, aviation, road and rail and advertising. She brings particular expertise in outcomes-focused regulation and consumer vulnerability. Claire is a member of the CMA Panel, the FCA/PSR Competition Decisions Committee, Pay.UK’s End User Advisory Council, the FLA Lending Code Board, the Board of PHIN, SSE’s Strategic Stakeholder Panel and the Consumer Code for Homebuilders.



ATIPAC Secretariat

Sally Bland, ATIPAC Committee Manager

ATIPAC is independent of the CAA. However, it is supported by the CAA Secretariat and the Committee is managed by Sally Bland. The Committee or Chair can be contacted via Sally at: atipac@caa.co.uk or 0330 138 2416.

