



ATIPAC Air Travel Insolvency Protection Advisory Committee

ATIPAC Annual Report 2017 - 2018

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Contents

Contents	2
Introduction: Letter from the Chair	3
The role of ATIPAC	5
Failure of Monarch and the airline insolvency review	6
PTD implementation	7
The impact of Brexit	8
Other recent developments	9
Failures	11
Appendix 1	12
Details of ATOL holder failures April 2017 – March 2018	12
Appendix 2	13
Response to the Department of Transport (DfT) on updating consumer protection in the package travel sector Consultation on ATOL	13
Appendix 3	17
Response to the Civil Aviation Authority (CAA) Consultation on Modernising ATOL	17
Appendix 4	19
ATIPAC Committee members April 2017 – March 2018	19
Appendix 5	25
Constitution and terms of reference	25

Introduction: Letter from the Chair



Dear Mr. Grayling,

I have great pleasure in submitting the Committee's eighteenth Annual Report, covering the year that ended on 31 March 2018.

The two key events of the year were final implementation of the Package Travel Directive into UK law, and the insolvency of the Monarch Group and its aftermath. The Package Travel Directive, which is intended to be a consumer protection measure, in fact offers a balance of improvements and disadvantages for consumers. The definition of a package is much improved and the new mandatory disclosures of key information to consumers are welcome. However, both the introduction of linked travel arrangements, and the increased ability of travel companies established in the European Economic Area to sell in the UK outside of ATOL create additional risk for UK consumers.

The introduction of linked travel arrangements legalises in UK law the sale of holidays attracting a materially lower level of protection against insolvency, as well as less protection as regards product liability. The lower costs enabled by less protection enables businesses offering linked travel arrangements to sell at lower headline prices. Combined with other developments, such as higher costs arising from fraudulent gastric illness claims and new restrictions on the industry's ability to surcharge for credit card payments, there is a risk that the travel trade will be more inclined to offer linked travel arrangements (or separate, unprotected sales); and consumers, in this very price sensitive market, will be more inclined to buy them. While the new disclosure obligations improve the chance that consumers will have a better understanding of the protections available to them, it is not a perfect mitigation and the Committee will watch how this develops as the market adjusts to these new arrangements, as requested in the Parliamentary debate in October 2017.

Not all European countries have effective insolvency protection systems, as was evidenced by the insolvency of Low Cost Holidays in 2016 following its relocation to Spain. As with the factors described above, cost pressures in this low margin business may encourage consumers to buy from the cheapest supplier, even where protection is more limited, and may also encourage existing UK businesses to relocate to lower protection, lower cost jurisdictions.

We applaud the repatriation exercise carried out for Monarch customers, which was executed with great success and professionalism, and avoided material distress and financial loss to consumers. However, again this is an instance where the protected sector is being placed at a disadvantage, because airline passengers received the benefits of protection that they had not chosen or paid for. Package sellers offer more protection to their customers and bear the costs of doing so, so this is another instance where factors seem to be combining to push business away from the protection system and towards

unprotected travel. We welcome the Airline Insolvency Review, which gives the Government an opportunity to introduce some much-needed clarity and consistency in this area.

The theme of the year seems to have been developments that have the potential to drive businesses and consumers away from products that offer higher levels of consumer protection towards arrangements offering lower levels. It concerns the Committee that consumers may not fully understand the risks that this entails, and we shall continue to monitor these developments.

John Cox OBE

Chairman

The role of ATIPAC

The Committee was created by the Secretary of State for Transport in 2000 to provide informed advice to Government on financial protection of air travellers and customers booking with air travel organisers. All members of the Committee give their time freely and without remuneration. The role and membership of the Committee is set out in its Constitution at Appendix 5.

The Committee is well placed to pursue the interests of air travellers. Its membership is uniquely balanced between trade, regulator, consumer representatives and independent members, with a breadth and depth of knowledge and experience from all areas of the travel industry. This makes the Committee able to provide informed and balanced counsel to the Civil Aviation Authority (CAA), the Air Travel Trust (ATT) and the Secretary of State for Transport.

As both market and the legislative landscape continue to develop, ATIPAC has been and will remain active in advising how policy should develop. It provided considerable input into the new European Package Travel Directive, both in terms of contributing to the UK's position when it was being formulated in Europe and more recently articulating issues of practical concern as it is implemented in the UK. The Committee has been actively engaged with the Department for Transport (DfT) and Department for Business, Energy & Industrial Strategy (BEIS) on issues that concern both the trade and, most importantly, consumers.



Now that the Package Travel Directive 2015 (the Directive) has been implemented into UK law (01 July 2018), the main focus is likely to switch to the Airline Insolvency Review, and what that means for the delivery of insolvency protection in air travel in the future.

Failure of Monarch and the airline insolvency review

Monarch had a fleet of 33 aircraft operating within Europe. It entered administration on 2nd October 2017. Although most group sales were from the airline and hence not ATOL protected, it also sold flight inclusive packages mostly to Europe. Upon entering administration all operations ceased with immediate effect: all aircraft were grounded leaving over 85,000 passengers abroad without their intended flight home. Given the limited capacity of alternative airlines, the UK Government mounted an operation, organised by the CAA, to repatriate UK residents in the UK's biggest peacetime repatriation. The costs for ATOL protected consumers were funded by the ATT. Government funded all costs relating to consumers who were not protected by the ATOL scheme. While the scale and impact of airline insolvency in recent years is in relative terms small when compared with the benefits consumers have gained, the risk of further and perhaps more significant insolvencies remains, and it is therefore important to look at all possible options that will mitigate the risk of consumer detriment.

The case of Monarch demonstrates that current legislative arrangements are not sufficient to protect passengers in all circumstances. It also shows that there are circumstances in which the Government will intervene to help consumers who have not protected themselves, and where consumers fail to understand or manage the risks they expose themselves to. Public policy and political factors can combine to mean the consequences of these risks are passed to the taxpayer. This undermines ATOL, because it tends to reinforce a view in consumers' minds that if the airline they are travelling on becomes insolvent, they will be somehow shielded from the consequences. Of course, for any given insolvency that may or may not be true, but it reinforces the difficulty of achieving a market where consumers are able to take informed decisions.



There is no statutory protection for consumers against airline insolvency, whereas it is a statutory requirement for businesses that sell flights but are not airlines themselves. Monarch serves as a reminder that airlines do become insolvent and consumers can still be stranded abroad in just the same way, even although the same level of insolvency protection does not formally exist.

Although ATIPAC understands the Government's decision to intervene, and supports it because the impact on consumers would have been severe, it has made the protection landscape considerably more confused and unsatisfactory. The Committee therefore welcomes the establishment of the independent Airline Insolvency Review. It is committed to participate fully in its deliberations to ensure the best outcome for consumers.

PTD implementation

Some 26 years after the first Package Travel Directive became law, the provisions of the second one are set to become law in the UK on 1 July 2018, in revised ATOL Regulations. The new definition of a package is much improved, and stronger requirements on businesses to provide comprehensive and timely information are welcome, but there remain problems arising from the Directive and how it is being implemented in the UK. The Committee's responses to the DfT's and the CAA's consultations are included as Appendices 2 and 3. The Committee recognises the need to ensure an appropriate balance between clear and effective consumer protection and the need to have in place workable regulations that encourage investment and growth, and that do not unreasonably inhibit new entrants to the travel market.

We remain of the view that Linked Travel Arrangements (LTAs) provide a level of financial protection that may be transitory and ineffective. For the risk to consumers to be mitigated, we believe it is vital for information to be disseminated to consumers effectively. This will be assisted by the Directive's information provisions, which will help consumers to understand what is protected and what is not, but the fact remains that this partial protection will be of little benefit to consumers. In this context, we give a qualified welcome to the decision to exclude them from the ATOL Regulations. It is qualified only because the decision means that consumers can remain confident that the ATOL scheme provides comprehensive protection, but it has not solved the fundamental problems with LTAs that we set out in our last report, and which can only be addressed through ensuring that consumers understand the limitations of their protection. As noted under "Other recent developments" on page 9, in addition to the lower costs arising directly from LTAs' worse financial protection, there are other pressures tending to push the travel industry and consumers away from packages towards holidays with less consumer protection.

UK businesses have voiced concerns about how little time they have to make the necessary changes, and that the implementation time is inadequate and unrealistic. ATIPAC agrees that the industry has been placed in an extremely difficult situation, and needs more time to

implement those changes. It is unsatisfactory that the new legislation, designed to protect consumers and placing a burden on businesses, is being introduced at the last minute and in a hurried manner.

We also remain concerned about the risk of businesses established elsewhere in the EEA selling into the UK with protection provided by ineffective arrangements, of which the collapse of Low Cost Holidays in 2016 provided a tangible example. Although many other European states have long-standing and effective protection arrangements, that is not the case for all and we remain concerned that UK residents may suffer detriment. It is not clear how efficient enforcement will be achieved given that infraction proceedings undertaken by the European Commission are unlikely to be timely and would not be effective if they were only undertaken after insolvency had occurred. Furthermore, the need to cover potentially all of Europe could also compromise the ability of the UK to undertake managed repatriation, which has been an important part of consumer protection.

The impact of Brexit

The UK's planned withdrawal from the European Union has the potential to affect the travel industry very materially, as the UK's core holiday markets are mostly in EU Member States. At present, the industry's



offering to consumers is made easier within the EU by freedom of movement as well as unrestricted air traffic rights. While the arrangements that will exist following Brexit are not yet known, there is clear downside risk if more restrictions are introduced between the UK and the EU. That is not to say that the outcome will necessarily be poor. Many European Member States have a strong interest in making it as easy as possible for UK tourists to continue visiting, and it is also worth remembering that many key holiday markets are not in the EU at all, but nevertheless sustain a high level of tourism.

Nevertheless, the present lack of certainty as to those future arrangements is disconcerting. A material worsening of the arrangements existing between the UK and the EU, which could hamper the ability of the travel industry to sell to the core EU destinations, would be likely to bring about a material increase in insolvencies.

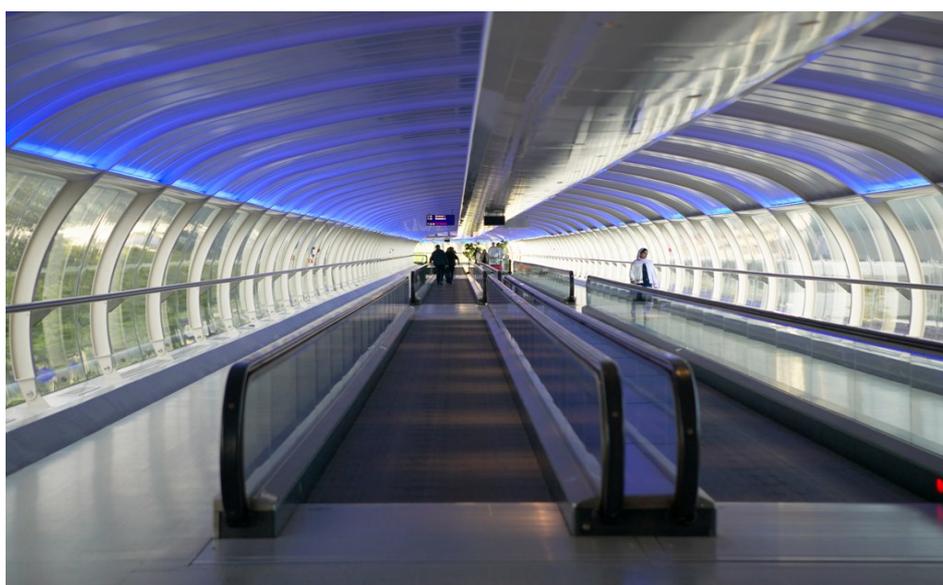
Other recent developments

The Committee has also considered the impact of other developments on insolvency protection, especially in the light of the way in which they impact the airline and travel industries and whether that may have an impact on the public's protection against businesses becoming insolvent.

There has been a widely publicised increase in **holiday illness claims**, often where claimants were represented on a no-win, no-fee basis. The travel industry's belief that many of these claims were false has been supported by subsequent court action where members of the public have been successfully prosecuted for making fraudulent claims. This impacts on the protected sector because package organisers are made liable by law for the full package, whereas if a consumer buys a holiday in separate components or buys a LTA, any claim would have to be made against the hotel. At the height of this activity, the travel industry was experiencing large increases in insurance premiums, and even a refusal on the part of some insurers to cover holiday illness claims, exposing the business directly to unknown costs.

Travellers' health and the industry's obligation to ensure safe, hygienic accommodation is of central importance to consumers, but that is very different to the issue of fraudulent claims. Successful frauds, and also the cost of defending the cases, increases package organisers' prices in a way that does not affect the prices for consumers who self-package or who buy LTAs. Left unchecked, this may even have obliged travel businesses to move to selling LTAs rather than packages, as a way of managing the commercial risk.

In ATIPAC's response to the Ministry of Justice, we stated that it is essential to bring overseas claims within a fixed costs regime that will discourage unscrupulous lawyers and claims management firms from tempting holidaymakers to make some 'easy money'. We



welcome the Government's action that has been taken, although we note with concern that cruise line package holidays have been excluded, despite the views of the industry.

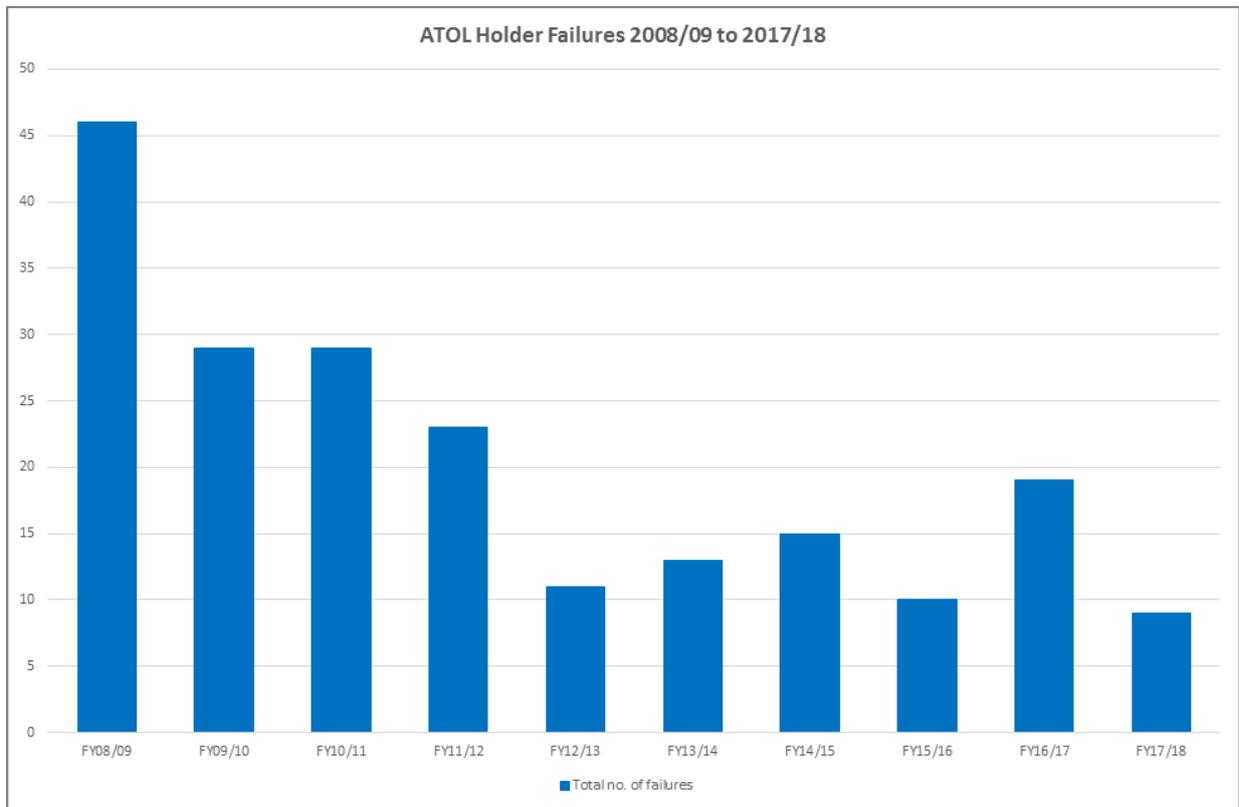
The EU **Payment Services Directive 2018** took effect during the year, with the stated intention of bringing economic benefit by stimulating competition and driving innovation, as well as enhancing consumer rights. It is regarded as a positive development by consumer groups, because it increases price transparency for consumers. Enhanced consumer rights are of course welcome, but it may cause unintended consequences for the travel industry, which regards it as effectively removing its ability to surcharge customers for credit card use. Credit card payments for travel are more expensive than most other forms of payment acceptance and can entail higher security requirements, particularly for the many small businesses in the travel sector. Whereas previously businesses could defray those costs by adding a higher credit card surcharge than for other payment forms, this is no longer possible.



Most travel businesses operate on low margins and cannot afford to absorb credit card fees. Some may respond by attempting to encourage consumers to pay by means other than credit cards, such as discounts for direct bank transfers. To the extent that they succeed in doing so, it will reduce the extent to which the credit card industry bears insolvency cost, and where the sales are licensable that cost will be picked up by the ATT instead. Where sales are not licensable, more consumers will suffer unprotected losses. To the extent that they do not succeed, higher costs will come off their margins instead, which could lead to an increase in insolvencies in the sector.

There is a greater concentration of small travel businesses within the ATOL protected sector than the unprotected airline sector, so this will impact holiday travel disproportionately. As with the holiday illness claims issue above, it is another instance of a development that disadvantages sellers of fully protected packages, which adds to the pressures driving consumers towards products with less protection, whether that is self-packaging or LTAs. Unfortunately, cruise line package holidays have also been excluded from the fixed costs regime.

Failures



For 2017/18 there were 9 failures compared to 19 the previous year.

A table detailing this year's failures is appended in Appendix 1.

Appendix 1 Details of ATOL holder failures April 2017 – March 2018

ATOL Holder Name	Date of Failure	Licensed Passengers	Security Provided	Number of Passengers Repatriated	Cost of Repatriation & Overseas Costs	Expected Number of Consumers to Refund	Estimated Cost of Refunds	Total Estimated Expenditure	Estimated Call on Air Travel Trust
Daniah Travel Ltd	05/06/2017	500	-	-	-	-	-	-	-
Simply Sweden Ltd	04/09/2017	770	-	-	-	219	87,069	93,024	93,024
Monarch Airlines Group	02/10/2017	1,166,748	16,310,408	19,322	11,384,409	53,541	22,760,362	32,651,706	16,341,298
Air Express Travel & Tours UK Ltd	05/10/2017	2,672	-	-	-	273	36,164	49,477	49,477
Chadwell Travel Ltd	20/10/2017	94,945	600,000	-	-	18,995	4,400,000	5,173,817	4,573,817
NJA Travel Ltd	05/12/2017	500	30,000	-	-	59	18,746	20,970	-
Holiday Mood Ltd	05/12/2017	500	-	-	-	401	387,440	242,935	242,935
Driveline Golf Ltd	13/12/2017	500	-	-	-	55	41,258	42,318	42,318
Channel Island Executive Travel Ltd	15/01/2018	500	-	-	-	10	-	-	-
			16,940,408	19,322	11,384,409	73,553	27,731,039	38,274,247	21,342,869

Appendix 2

Response to the Department of Transport (DfT) on updating consumer protection in the package travel sector Consultation on ATOL

Introduction

The Air Travel Insolvency Protection Advisory Committee (ATIPAC) was established by the Secretary of State for Transport in 2000 to give advice to the Secretary of State, the Civil Aviation Authority and the Trustees of the Air Travel Trust on the arrangements for the financial protection of air travellers and customers of air travel organisers.

The Committee is formed of a diverse and representative group of the travel industry, balanced between the industry and those focused on consumer interests. It includes the major trade bodies including the Association of British Travel Agents (ABTA), Association of Independent Tour Operators (AITO), The Association of ATOL Companies (AAC), Association of Scheduled Airlines Operating within the UK (BAR UK), Travel Trust Association (TTA), passenger representatives and independent experts, including the Chairman, and representatives from the Civil Aviation Authority and Air Travel Trust (ATT). As such it is the only body in the UK that brings together the travel trade, regulator and consumer representatives and independent members devoted to the interests of air travellers.

The Committee welcomes the opportunity to respond to this consultation. In its response to DfT's 2016 consultation, ATIPAC made a number of additional points with reference to broader issues such as the merits of financial protection on all departing flights, and that response is attached for ease of reference.

Consultation Questions and Summary ATIPAC Response

Question 1

We are updating the ATOL regulations to adopt the new definition of a 'package' from Package Travel Directive 2015. Do you think the way the new definitions are drafted will cause any issues?

We welcome the new definition of a package but remain of the view that Linked Travel Arrangements (LTAs) are defective as an instrument of financial protection and, for the risk to consumers to be mitigated, we believe it is vital for information to be disseminated to consumers effectively. In addition to the information provisions of the PTD, a public awareness campaign and publicly-available guidance will be essential to help consumers to understand what is protected and what is not.

Question 2

To what extent will the net concept of Linked Travel Arrangements affect the holiday products your business sells?

ATIPAC's travel trade representatives believe that LTAs may become a popular means of sale among travel agents.

The Regulations should define precisely the point from which the 24-hour period runs. The proposed position is that it runs from 'confirmation', i.e. when the customer receives confirmation that the travel components have been booked. However, the transaction(s) may have been contracted, but the confirmation to the customer may not be issued at the same time. Confirmation must be simultaneous.

How this is enacted in the Regulations is significant as the retailer will effectively control whether the customer buys a 'package', an 'LTA' or a series of separate and unprotected products.

Question 3

Do you foresee any issues arising from implementing flight-LTAs under the Package Travel Regulation mechanism through bonding, insurance or trusts?

Although the Committee accepts and supports the reasoning that led to the conclusion that LTAs should not be implemented by means of ATOL, we believe that there are also some disadvantages.

The fact that some LTA facilitators' flight protection can be sourced from existing ATOL protection will cause no issues where only the flight requires financial protection (or no financial protection is needed), but where non-flight travel services also require protection they will need to obtain that protection from somewhere other than ATOL. Such cases – where protection is sourced from different providers – will impact consumers who will need to make two claims and are unlikely to understand any distinctions between the different schemes.

This points to the need for simple, clear guidance for consumers on "How to book a holiday", to be carried by the DfT, BEIS and CAA websites, and by the travel trade.

Question 4

We are updating the ATOL scheme so that the requirement to hold an ATOL will apply to UK businesses when they sell packages to consumers in Europe. Do you foresee any issues from the changes in who needs to hold an ATOL?

The need to monitor businesses' EEA sales will increase the complexity of the monitoring task, both for the CAA and Approved Bodies under the PTRs, and there will be other issues arising from handling claims, such as language barriers.

UK businesses will also need to be aware of the risk that some potential outcomes of changes in the legal framework following the UK's planned departure from the EU will remove their right to make those sales in the EEA under UK protection arrangements.

Question 5

We are updating the ATOL Regulations to require Agents acting for the Consumers to hold an ATOL? Do you expect any issues from the new regulation?

We strongly support this proposal as it will improve clarity for consumers.

Question 6

We are updating the ATOL regulations to exempt business-to-business sales from the ATOL scheme (regulation 10). Do you expect any issues from the new regulation?

The Committee believes that it would be a useful clarification to Regulation 10 (1) (j) to add the underlined phrase "...not-for-profit basis and not in the course of business to a limited group..." to the definition, to mitigate against businesses asserting that the activity, though conducted by a commercial organisation, was not profit-making and hence exempt.

Additionally, whereas proposed new Regulation 10 (2) enables the CAA to publish terms, we believe it should be a requirement on the CAA to do so: replace "may" by "shall".

Finally, we recommend that the definitions and guidance on this exemption for business-to-business sales should be identical for air and non-air packages.

Question 7

We are updating the ATOL regulations to qualify the exemption for Agent for ATOL Holders when they are organising packages (regulation 15)? Do you agree with this approach, and do you foresee any issues with the proposed changes?

The Committee supports the change.

Question 8

We are updating the regulations to exempt Agents that are selling packages organised by EEA traders from the ATOL scheme. Do you agree with this approach, and do you foresee any issues with the proposed changes?

The Committee supports the increased options available both to consumers and the travel industry arising from this. However, it also notes that the proposed mitigation - written agency agreements between UK travel agents and the non-UK EEA package organiser - will be difficult to enforce. It will also be extremely difficult for UK agents to secure compliant agency agreements from EEA organisers, when this requirement is a UK only position.

Question 9

We propose to remove Part 3 of the ATOL regulations, to revoke ATOL 'Flight Plus'. Do you foresee any issues with this approach?

The UK has no choice but to do so, but the Committee's strong reservations about the effectiveness of LTAs is relevant here - LTAs are in no way a substitute.

Question 10

We are making minor amendments to the ATOL regulations so that the CAA's existing enforcement provisions are fully aligned with the changes we are making to the scope of ATOL (e.g. to include agent for the consumer sales). Do you foresee any issues with the proposed amendment to regulation 69 and 70 to achieve this?

The Committee has no comment to make.

Question 11

Please set out your views on the proposal to introduce civil sanctions (e.g. those provided for in RESA 2008) to give the Civil Aviation Authority more effective and flexible enforcement powers for the ATOL scheme.

ATIPAC supports this as a useful modernisation of the ATOL scheme, and brings the range of available remedies in line with the CAA's powers in other areas of its activity.

Question 12

How much do you expect the cost to familiarise your business with the updated ATOL regulations to be? (e.g. training, interpreting guidance etc.)

This is not within ATIPAC's remit, but the Committee will ask its members to respond individually to this.

Question 13

How much do you expect the implementation cost to be for updating your business systems, tools and processes to comply with the changes we are implementing?

Although ATIPAC cannot answer the question directly (though its trade members may do so individually), the Committee notes that the time for businesses to implement the changes is very short and there is a good justification for allowing a transitional period.

Perhaps the CAA should consider two different timelines. One for those matters that are required by virtue of the PTD timeline of 1 July and defer all other matters to a later date. The end of the Summer, perhaps 1 October, linked to the new licensing period, would be one option.

ATIPAC
21 March 2018

Appendix 3

Response to the Civil Aviation Authority (CAA) Consultation on Modernising ATOL

Introduction

The Air Travel Insolvency Protection Advisory Committee (ATIPAC) was established by the Secretary of State for Transport in 2000 to give advice to the Secretary of State, the Civil Aviation Authority and the Trustees of the Air Travel Trust on the arrangements for the financial protection of air travellers and customers of air travel organisers.

The Committee is formed of a diverse and representative group of the travel industry, balanced between the industry and those focused on consumer interests. It includes the major trade bodies (Association of British Travel Agents (ABTA), Association of Independent Tour Operators (AITO), The Association of ATOL Companies (AAC), Association of Scheduled Airlines Operating within the UK (BAR UK), Travel Trust Association (TTA)), larger and independent tour operators, passenger representatives and independent experts, including the Chairman, and representatives from the Civil Aviation Authority and Air Travel Trust (ATT). As such it is the only body in the UK that brings together the travel trade, regulator and consumer representatives and independent members devoted to the interests of air travellers.

ATIPAC supports the proposals set out in the consultation, but subject to the comments set out here.

Question 5

What are your views on the changes proposed to the schedule of agency terms, including the proposal to remove the content of AST1 from these?

While the Committee approves the changes in that they clarify the obligations of ATOL holders and agents, it continues to be concerned over the position consumers find themselves in if no agency agreement exists, or if action is taken against an agent for non-compliance, where the consumer may not be refunded. The availability of civil sanctions against non-compliant agents - which the Committee strongly supports - must not prejudice the consumer's position.

One simple solution would be for the CAA to meet all legitimate consumer claims under the ATOL system and then, separately, to take any required enforcement action against an agent. One form of enforcement, where appropriate, might be the recovery of the claim value, but that does not automatically follow. In any event, the consumers claim should not be delayed or invalidated by a failing of an intermediary.

Question 8

What are your views on the CAA's proposal to stop granting ATOLs to businesses that are exempt from the need to hold an ATOL because they are established in an EEA country other than the UK?

We understand the CAA's legal concerns and the limitations on Member States set by this maximum harmonisation directive, but this proposal is not, in our view, in the best interests of UK consumers. The impact is likely to be that some existing ATOLs are surrendered and affected UK residents will be protected by the arrangements in the Member State where the organiser is established. ATIPAC has a long-standing view that insolvency protection will be more effective if organised on a national basis, on the grounds that barriers (language, differing legal codes, geographical) may hamper the effective provision of insolvency protection services.

We also note that the insolvency of Low Cost Holidays demonstrated that some (though not all) non-UK protection arrangements are ineffective, which creates a further risk for UK consumers. There is an ambiguity over "UK" companies that are established in other EU/EEA states that operates to the potential disadvantage of UK consumers. From the UK consumer viewpoint, ATOL protection will be expected to apply to predominantly UK businesses. We urge the CAA to consider ways of addressing this risk, especially in establishing consumer-friendly processes to aid claimants.

The Committee considers that consumer information and education are necessary. From the consumer perspective, some travel companies which have previously offered their customers ATOL-protected holidays may lose the ability to do so and it must be made clear to the public that the status has changed. Customers may wish to acquire UK-based protection (or indeed may prefer another particular member state) and must be able to find out easily which travel companies are covered by which member state.

Proposal to introduce online ATOL Certificates

Although we support the proposal in general terms, we note that there seems to be no provision for people without internet access, which may include elderly holidaymakers. As set out, there seems to be no means by which such people would be able to access an ATOL Certificate. We recommend that the CAA considers how this could be achieved. For example, there could also be an obligation on the ATOL holder or agent to provide consumers with a printed Certificate, sourced from the CAA website, on request.

ATIPAC
21 March 2018

Appendix 4

ATIPAC Committee members April 2017 – March 2018

John Cox OBE

Independent representative

John has been Chairman of ATIPAC since its formation in April 2000. He was previously chair of the UK's Air Transport Users Council. He is also the industry representative to the Air Travel Trust. He is retired from full time work after 42 years in book and periodical publishing.



Alan Bowen

Industry representative

Alan qualified as a solicitor in 1982 and, after a number of years in private practice, joined ABTA as Head of Legal Services. For the last 20 years he has been the Managing Partner of AGB Associates which specialises in advising the travel industry. He represents the Association of ATOL Companies (AAC).



Roger Bray

Independent representative

Roger is one of the UK's longest serving travel journalists and a former travel editor of London's Evening Standard. He was a passenger on Concorde's first commercial flight, covered the rise and fall of Laker Airways, various air disasters and the after effects of 9/11. He is the co-author of *Flight to the Sun* which explores the expansion of mass package tourism.



Jan Carton

Consumer representative

Jan joined Citizens Advice as Senior Consumer Expert in March 2016. Previously she had spent 13 years as a self-employed Consumer Law Consultant, mainly providing training in a variety of consumer law subject areas to trading standards professionals, ADR providers, consumer advisers and government departments. This was preceded by careers in local government trading standards and as a senior lecturer in consumer law at Manchester Metropolitan University.



Stephen D'Alfonso

Industry representative

Stephen joined Thomas Cook as Group Head of Public Affairs and Sustainability in July 2016. Joining Thomas Cook from ABTA, where he was the travel association's Head of Public Affairs, Stephen was instrumental in developing the association as a leading campaigning force, leading on government affairs and political lobbying activities in Westminster and Brussels. Stephen joined ABTA following roles at GovNet Communications and the UK Parliament.



Uday Dholakia OBE

Independent representative

Uday is a Senior Partner at Global Consulting UK Ltd. He is an independent member of the Committee with an interest in better regulation and enterprise promotion.



Prof. David Grant

Independent representative

David is currently Emeritus Professor of Law at Northumbria University. He is the co-author of *Holiday Law* (Sweet & Maxwell) with Stephen Mason and also co-author of *Hotel Law* (Northumbria Law Press) with Helen Douglas and Julia Sharpley. He has written and lectured extensively on travel law.



Dale Keller

Industry representative

Dale is the Chief Executive of the Board of Airline Representatives in the UK (BAR UK). He has 25 years' experience in the aviation, travel and tourism industries. He represents BAR UK on the Committee.



Helen Knapman

Consumer representative

Helen is the Deputy Editor at Moneywise magazine and moneywise.co.uk and has written numerous articles on various consumer travel issues. She is the former Senior News Reporter at moneysavingexpert.com



Gary Lewis

Industry representative

Gary became Chief Executive Officer of The Travel Network Group in early January 2016 following a successful management buyout of the Group. He was instrumental in delivering the first CAA Franchise arrangement in 2003 which still today provides the basis for Travel Trust Association Members to gain individual ATOL membership.



Alisdair Luxmoore

Industry representative

Alisdair is a Founder and Director of Fleewinter Ltd. He represents the Association of Independent Tour Operators (AITO). He is a member of the AITO Council and also sits on the AITO Industry Issues and the website development groups.



Michael Medicott

CAA representative

Michael is a non-executive CAA Board member and Chairman of the Air Travel Trust. He also serves as a member of the CAA Audit Committee, the CAA Remuneration Committee and the CAA International Ltd Management Advisory Board. He has many years' experience of the transport and tourism sectors; he was the International Vice-President at Delta Air Lines, Chief Executive of the British Tourist Authority and sat as a board member of the Manchester Airports Group. He is a Companion of the Royal Aeronautical Society.



Richard Moriarty

CAA representative

Richard joined the CAA in January 2016 as Group Director of Consumers and Markets and Deputy Chief Executive, being responsible for ATOL, the economic regulation of airports and air navigation providers and the CAA competition powers and consumer redress and enforcement activities. On 1 June 2018, he became the CAA's Chief Executive.



Keith Richards

Independent representative

Keith is a barrister, arbitrator and commercial mediator. He is Chair of the Disabled Persons Transport Advisory Committee at the DfT, a Panel Member at the Competition and Markets Authority, and a member of the Financial Services Consumer Panel at the FCA. He previously served as Head of Business and Professional Development and Consumer Affairs at ABTA, and as Chair of the CAA Consumer Panel.



Mandy Round

Industry representative

Mandy is General Manager of easyJet Holidays and is responsible for relations with its trading partners, and for easyJet's ATOL. Mandy has held varied roles in the travel industry for over 30 years, including Client Services and Tourism Director at Sambala Resort, Cape Verde, General Manager at Jet2holidays and EMEA Director for the Hong Kong Tourist Board.



John Snyder

Industry representative

John qualified as a Solicitor in 2000 and after secondments to various businesses such as B&Q plc, Superdrug plc and Virgin, he joined Carnival plc in 2004. Carnival is the largest cruise operator in the world and John's role includes dealing with legal issues relating to the operations of P&O Cruises, Cunard, Princess Cruises, Holland America Line and Seabourn cruise brands.



Bruce Treloar

Consumer representative

Bruce is the Chartered Trading Standards Institute's Lead Officer for the Holiday & Travel Industry with 41 years of experience as a practising trading standards officer.



Rochelle Turner

Consumer representative

Rochelle is the Director of Research for the World Travel & Tourism Council. Her role includes research into travel facilitation, infrastructure, investment and human capital for travel and tourism as well as sustainability issues such as climate change.



John de Vial

Industry representative

John is Director of Financial Protection and Financial Services for ABTA and also a Director of Travelife Limited – sustainability in tourism for hotels. He is a Trustee of The Travel Foundation and ABTA LifeLine and chairs the Advisory Committee of the International Centre for Responsible Tourism.



Kirsteen Vickerstaff

Industry representative

Kirsteen is General Counsel and Company Secretary at On the Beach Group plc, where she has responsibility for legal, company secretarial, regulatory, risk management and insurance matters. On the Beach is one of the UK's leading online travel agents, specializing in beach holidays and is listed on the London Stock Exchange.



Sandra Webber

Independent representative

Sandra is the Chair of the Water Alternative Dispute Resolution Panel which provides oversight of the water industry consumer redress scheme. She previously served as Director of Consumer Support at the CAA and before this worked at the Department for Transport where her responsibilities included aviation and the ATOL protection scheme.



Appendix 5

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. Members of the Committee shall be drawn from members and/or officers of organisations representing various market sectors of the travel trade and independent representatives. The Chair and Deputy should always be independent representatives.

Trade

There will be up to ten members representing travel agents, tour operators, third party protection arrangers and airlines. Appointments shall be made in consultation with relevant trade associations. Each of the following trade associations and/or their successor bodies shall always have the right to be represented by one member:

- Association of British Travel Agents (ABTA)
- Association of Independent Tour Operators (AITO)
- Association of Airline Consolidators (AAC)
- Board of Airline Representatives in the UK (BAR UK)
- Travel Trust Association (TTA)

Independent members

There will be up to ten independent members of whom one will be Chair. These members will include at least three consumer representatives and three representing consumer-focused organisations.

Civil Aviation Authority

The Chair of the Air Travel Trust, and one other member of the Civil Aviation Authority.

Appointments to the Committee

3. Members shall be appointed by the Chair of the Civil Aviation Authority (CAA), for periods specified at the time of appointment. Membership periods should normally be periods of 4 years. Members may resign at any time. The CAA Chair will consult the Chair of the Committee before appointing Members other than from the CAA.
4. Where an organisation is invited to provide a representative, then alternates should be nominated, in order that the organisation's views and contribution to the Committee's deliberations may at all times be made. Where the appointment is in their personal capacity, then alternates are not appropriate.
5. If the Chair 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

6. The Committee shall determine its own procedures for and frequency of meetings, including any requirement for a quorum.
7. 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 appoint others with particular expertise at his discretion.

Duties of Committee

8. The Committee shall keep under review and from time to time advise the CAA, the Trustees of the Air Travel Trust and the Secretary of State for Transport on the arrangements for the financial protection of air travellers and customers of air travel organisers.
9. In particular it shall:
 - advise the Trustees, the CAA and the Secretary of State 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 Trust (The Payment Policy);
 - advise the CAA how they can promote awareness of 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 ATT.

10. The Committee shall submit to the Secretary of State an Annual Report on its activities in each year ended 31 March within four months of the end of that year. The Committee shall draw to the Secretary of State's attention at any time matters of concern on which, in its view, action is necessary.

Administrative Arrangements

11. Reasonable out of pocket expenses directly incurred by Members of the Committee in attending meetings shall be reimbursed by the CAA.

12. The CAA shall provide administrative support to the Committee.

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