

# ATIPAC

## Air Travel Insolvency Protection Advisory Committee **Annual Report 2024/25**

**June 2025**

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## Introduction from the Chair

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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 2025.



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. 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, just before the pandemic, 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 low risk of company failure;
- an appropriate and easily understood regulatory regime for consumer protection; and
- affordable and effective travel insurance for eventualities not covered by regulations.

These are not fully in place at the moment, in particular an appropriate and easily understood regulatory regime appropriate for the modern travel market.

Fortunately, the travel sector experienced a very low number of failures in 2024/25. Consumer demand was up, following the pandemic. Nevertheless, there are some potential new challenges, and it is a good time to make sure the regulatory regime works for British consumers post-Brexit. We hope the review of the Package Travel Regulations led by DBT will lead to concrete improvements being implemented. We are disappointed that the year saw little progress on the Airline Insolvency Review led by DfT, given so much 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, 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; and
- formalisation of Refund Credit Notes as an emergency measure, which was an excellent ad hoc scheme enabling holiday companies to survive Covid.

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.

## The Role of ATIPAC

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- 1.1 It has long been recognised that holidays are a large purchase and that there is a period of time between a customer's payment and the customer's return from holiday, and the seller could fail at any point during that period. 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 is devoted to furthering the financial protection of air travellers. Its Constitution and Terms of Reference are provided at Appendix A. The Committee, which meets quarterly, has an independent Chair. Its membership is uniquely balanced between trade representatives with a breadth and depth of knowledge and experience from all areas of the travel industry, and independent consumer and passenger representatives.
- 1.3 During 2024, ATIPAC carried out a recruitment campaign to refresh the membership and ensure the Committee can give the best advice to the Government and the CAA. Independent members are remunerated but representatives of the travel industry are not. There was an excellent field of candidates keen to contribute their expertise, and we were pleased to welcome 12 new members and observers to the Committee from a range of different backgrounds. The full list of members and observers in 2024/25 is included in Appendix D.
- 1.4 In addition, as detailed later in the report, we have recently appointed a new Chair to take over leading the Committee from August 2025.
- 1.5 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 Committee's Secretariat function is provided by the CAA, the report does not necessarily reflect the CAA's own position.

## Conducting ATIPAC Business

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- 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 post-Brexit review of Package Travel Legislation, the Digital Markets and Consumers Act 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, which did not take account of social media advertising; and we reviewed the ATOL Communications campaigns run regularly to inform consumers how they can protect their money. 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 As stated previously, the Committee has recently recruited a number of new independent members to bring in related expertise. Consequently, at the February meeting, the Committee was pleased to receive a presentation from one of the new independent members, on the current market for tour operator and airline insolvency insurance. The inclusion of presentations on independent members' areas of expertise is something which we intend to repeat going forward.
- 2.4 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, many of which were about poor customer-care after purchasing holidays from Online Travel Agencies (OTAs) based outside the UK.
- 2.5 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:

<b>Financial Year</b>	<b>Non-package holiday related complaints</b>	<b>Air travel (general)</b>	<b>All package holidays</b>
2022-23	5608	6910	5188
2023-24	4182	4313	3848
2024-25	3972	3519	3556

## Conducting ATIPAC Business (continued)

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- 2.6 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
2022-23	1.5%	1.4%
2023-24	1.3%	1.2%
2024-25	1.3%	1.1%

- 2.7 Proportionally we can see that there has been a slight reduction in complaints and enquiries relating to holidays and accommodation from the 2023/24 financial year to the 2024/25 financial year.



## Positives in the Past Year

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### Strong Consumer Demand for Package Holidays

- 3.1 Members have reported that during 2024/25 trading has been good from the point of view of consumer demand. We have figures for the calendar year 2024 (matching three quarters of our reporting period) which show an increase in ATOL-protected passengers of 8.4% over the previous year and 10.9% over the pre-pandemic year 2019.

### 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 2024/25 there have been seven which remains one of the lowest in many years. The low rate of insolvencies over the past few years has provided the opportunity for the Air Travel Trust (ATT) Fund to rebuild following the pandemic<sup>1</sup>.
- 3.3 Appendix B is attached and shows the comparative data over a ten-year period.

<sup>1</sup>The 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 £185m in cash at March 2024. This is compared with £117m at March 2023 and £60m at March 2022 (audited accounts). In addition to its cash reserves, the ATT also has access to an RCF of £75m.

## Positives in the Past Year (continued)

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### Review of Package Travel Regulations

- 3.4 The Committee is pleased that work in DBT continues on reviewing the PTRs in the post-Brexit landscape. *[NB although outside the timeframe of this report, Members welcomed the most recent consultation (Package Travel – Updating the Framework 2025), in particular in relation to the questions regarding redress from third parties and Regulation 29, retaining domestic packages within scope and Linked travel arrangements. A Committee-wide response has been submitted, and is attached as Appendix C.]*

### Engagement with Government

- 3.5 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.
- 3.6 The Chair welcomed the invitation from the Aviation Minister, Mike Kane, to meet with a Senior Civil Servant at the DfT in August 2024 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. The recommendations from the 2023/24 Annual Report, were also discussed. The Committee hopes to continue to develop and strengthen these relations with Government departments going forward.

### Development of ATIPAC

- 3.7 The ATIPAC Chair has been working with CAA and DfT colleagues to develop the membership and scope of ATIPAC in order to make the Committee more representative of the changing travel industry. Revised Terms of Reference took effect on 1 January 2024, and as previously stated in 1.3, we have since been pleased to recruit new members and observers via an open and competitive recruitment process. The aim of this is to ensure representation from across the industry and independent consumer experts. We expect these changes to further enhance the effectiveness of the Committee, ensuring its advice is of maximum use to the Government. Since then we have carried out a second phase of recruitment for a replacement ATIPAC Chair as the current Chair's membership expires at the end of July. We received some very strong applications and are pleased to announce that Iain Stewart, former Chair of the Transport Select Committee, will be taking over as Chair from August 2025.

## Challenges in the Past Year

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### Geopolitical Impact

- 4.1 Inevitably political instability puts pressure on the travel industry e.g. the current Middle East conflict has particular impact on cruises and religious tours. Looking ahead we will be monitoring the impact of trade tariffs within the travel industry.

### 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. Some travel organisations still carry debts from the pandemic period. Members have mentioned changes which will need careful monitoring in the coming year e.g. the increases to the National Living Wage and National Minimum Wage; 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 fire at an electrical substation in West London on 21 March which led to a major power outage and subsequent closure of Heathrow airport, was an extreme example of the far-reaching impact that a problem in a key part of the operating environment can have. In addition to operating difficulties, there are disparities in the travel insolvency insurance market for both tour operators and airlines.

## Challenges in the Past Year (continued)

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### Sustainability

- 4.4 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, and want to go elsewhere. Consumer attitudes are influenced by media reports and advice from the Foreign, Commonwealth and Development Office, 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 receiving less snowfall.
- 4.5 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

- 4.6 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.
- 4.7 Airline Insolvency - Airline insolvency and the Airline Insolvency Review (AIR) recommendations of 2019 were highlighted in our previous reports. 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. AIR was a substantial piece of work, and the Committee would like to see it taken forward in the year ahead now that we are past the travel disruption of the pandemic.

## Challenges in the Past Year (continued)

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- 4.8 Redress from Third Parties, Regulation 29 of the Package Travel Regulations - Package travel sellers 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. Despite the Court ruling<sup>1</sup> in 2023 regarding Regulation 29, the 14-day refund issue is still of concern. Clarification is 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. We make a recommendation about this below.

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

## Recommendations

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### Airline Insolvency

- 5.1 The Airline Insolvency Review final report 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 of that report, 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.

### Refunds from Flight Delays and Cancellations

- 5.2 This recommendation flows from paragraph 4.8 above. 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 European Regulation EU-261/2004 (retained) as amended by The Aviation (Consumers) (Amendment) Regulations 2023. 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, which has been discussed previously in relation to the 14-day obligation for tour operators to refund consumers. Greater clarity is needed to ensure that travellers receive money due to them easily and without duplication and are not caught up in disputes between different companies. 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. A code of practice (setting out respective payment obligations for the different business roles) could be a tool managing these business relationships fairly.

### Coherent Legislation

- 5.3 ATIPAC has welcomed and contributed to previous Government consultations on air passenger rights and package holiday rights. We have not repeated all of our responses in this report. 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 piecemeal and stem from different sources. 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.

## Recommendations (continued)

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### Refund Credit Notes (RCNs)

- 5.4 The pandemic is fortunately behind us but it would be wise to prepare for future emergencies. The RCN system invented at short notice 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. ATIPAC recommends the establishment of a formalised structure so that the system can be called on again in any similar situation.

## Conclusion

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- 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; and
  - formalisation of Refund Credit Notes.
- 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

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## 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 expenses<sup>1</sup> 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

<sup>1</sup> In accordance with the CAA's Travel & Related Expenses Policy.

## Appendix B

## ATOL-Holder Failures

## ATOL-Holder Failures Financial Year 2024/25

Date of Failure	ATOL-Holder	ATOL No.	Estimated Consumers Affected
05/07/24	Infinity Media Promotions Ltd	6792	n/a (bought by ATOL-holder Travelpack Ltd)
04/07/24	Special Pilgrimages Ltd	2963	454 pax/440 bookings
10/05/24	Captivating Journeys Ltd (previously known as Captivating Cuba Ltd)	10897	176 pax/67 bookings
16/10/24	Haji Tours Ltd	12283	0
02/12/24	East Cape Tours and Safaris Ltd	11153	36 pax/14 bookings
06/03/25	Jetline Travel Ltd	6153	44 pax/20 bookings
31/03/25	Golf Travel Group Ltd	11319	0

## ATOL-Holder Failures from Financial Year 2015/16 – 2024/25

Financial Year	No. of Failures
2015-16	10
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

## Appendix C

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

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## Who are ATIPAC?

It has long been recognised that holidays are a large household purchase and that there is a period of time between a customer's payment and the customer's return from holiday, during which the seller could become insolvent. The Air Travel Insolvency Protection Advisory Committee (ATIPAC) was created in 2000 to advise 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 to provide customers of failed tour operators with refunds or repatriation to the UK as necessary.

The Committee is devoted to furthering the interests and financial protection of air travellers. The Committee has an independent Chair, and its membership is uniquely balanced between trade and independent members, with a breadth and depth of knowledge and experience from all areas of the travel industry.

The Civil Aviation Authority (CAA) provides the secretariat function for the Committee, but the views expressed in this response are not necessarily those of the CAA.

## 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 ruling<sup>1</sup>. 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.

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



## Appendix D

## ATIPAC Committee Members

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**Sandra Webber**, Independent Representative and Chair

Sandra has been ATIPAC Chair since July 2018. Until recently she was also 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.



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**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.



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**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).



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**Samantha Bradbury**, Industry Observer

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.





## ATIPAC Committee Members (continued)

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### **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.



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### **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.



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### **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.



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### **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.



## ATIPAC Committee Members (continued)

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### **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.



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### **Matt Gatenby**, Industry Observer

Matt is Senior Partner at the law firm Travlaw, with nearly 25 years of experience in the 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.



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### **Prof. David Grant**, Independent Representative\*

David is Emeritus Professor of Law at Northumbria University. He is the co-author of *Holiday Law* (Sweet & Maxwell) with Stephen Mason and Simon Bunce. He has written and lectured extensively on travel law.



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### **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.



## ATIPAC Committee Members (continued)

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### **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.



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### **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.



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### **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.



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### **Julia Lo Bue-Said, D.Litt**, 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 global pandemic.



## ATIPAC Committee Members (continued)

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### **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 13 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.



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### **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.



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### **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.





## ATIPAC Committee Members (continued)

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### **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.




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### **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 where he is now General Counsel. 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.




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### **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 to 2020, and also arranged settlement of the Thomas Cook claim (the largest ever single claim in trade credit insurance).




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### **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.



## ATIPAC Committee Members (continued)

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### **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.



### **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

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### **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](mailto:atipac@caa.co.uk) or on 0330 138 2416.




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\*Committee Leavers – Committee membership terms are now made for a fixed period of time, and Roger Bray, Professor David Grant and John Snyder's memberships came to an end in 2025. Dale Keller and Noel Josephides also stepped down during this financial year. The Committee is grateful for their many years of dedication and contribution.