



# Offering and selling flights or flight-inclusive trips as part of events or fundraising activities

## **Guidance for charities and fundraisers**

## About this guidance

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This document has been produced by the Civil Aviation Authority and provides guidance on offering and selling flights or flight-inclusive trips.

The Civil Aviation Authority would like to acknowledge the assistance provided by the Charity Commission for England & Wales, the Office of the Scottish Charity Regulator and the Charity Commission for Northern Ireland in producing this document.

## Who this guidance is for

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This guidance is for all charities and fundraisers who wish to offer flights or flight-inclusive trips as part of their events or fund raising activities.

In this document, the term 'charity' is used to mean a registered charity or any other organisation that raises funds for charity by offering flights or trips. This includes companies, trusts, unincorporated businesses, associations and, in Scotland, Scottish Charitable Incorporated Organisations.



If you would like more information  
contact us on:

**020 7453 6700**

or

**ATOLcompliance@caa.co.uk**

# Introduction

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The sale of air travel in the UK is regulated by the ATOL Regulations<sup>1</sup> for the protection of consumers. The ATOL scheme is administered by the Civil Aviation Authority and protects individuals if their travel organiser fails by becoming insolvent or fails to meet its obligations. The scheme ensures that those abroad on an ATOL-protected trip at the time of the failure are able to complete their trip and return to the UK and those who are yet to travel are able to claim a refund of the money they paid to the travel organiser for their flights or trip.

## Complying with ATOL Regulations

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Anyone, including charities, offering flights or flight-inclusive trips must comply with the ATOL Regulations. This means a charity offering a trip with a flight must hold a Air Travel Organiser's Licence (ATOL) granted by the Civil Aviation Authority, unless it is exempt from the need to do so<sup>2</sup>. One way in which a charity would be exempt is by offering flights or trips as the agent of another business or organisation that holds an ATOL.

Further information on complying with the ATOL Regulations is below and we have included examples of the types of trips that need to be protected by ATOL at the end of this guide.

### Holding an ATOL

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Information on how to apply for an ATOL, the criteria for holding an ATOL and the costs involved are available on the ATOL website. An applicant for an ATOL is required to meet a financial test and, for the first four years of holding an ATOL, provide a bond. ATOL holders must comply at all times with the requirements, terms and conditions for holding an ATOL, including the requirements for advertising and providing information to individuals.

You can contact us if you would like to know more about the criteria and the costs of obtaining an ATOL.

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1 The Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012 as amended

2 Exemptions from the need to hold an ATOL are listed in regulation 10 of the ATOL Regulations and in the Civil Aviation Authority's Official Record Series 3. Both of these documents are available on the ATOL website [www.atol.org.uk](http://www.atol.org.uk)

## Acting as agent for an ATOL holder

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A charity does not need to hold its own ATOL where flights or flight-inclusive trips are organised by another business or organisation that holds an ATOL and the charity offers them to individuals in the capacity of the agent for that ATOL holder, provided that:

- the charity is authorised by the ATOL holder to act as the ATOL holder's agent; and,
- the charity has a written agency agreement from the ATOL holder and the charity acts in accordance with that agreement<sup>3</sup>.

A charity can be an authorised agent for more than one ATOL holder, but in any particular transaction it must accept payment on behalf of only one ATOL holder. It must not accept payment from an individual and then decide later with which ATOL holder the booking will be made.

## Acting in other capacities

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### Accredited Body membership

Another way in which a charity may offer flights or flight inclusive trips without holding its own ATOL is as a member of an Accredited Body. Accredited Bodies are ATOL holders that are permitted to allow others to trade under their ATOL. Details of the current Accredited Bodies and how to apply to be a member are available on the ATOL website or you can contact us for more information.

### Franchise membership

A charity can apply for its own ATOL through membership of a franchise organisation. This may be a cheaper way of obtaining an ATOL but certain restrictions apply. Details are on the ATOL website or you can contact us for more information.

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<sup>3</sup> The agreement must contain the Schedule of Agency Terms that is published by the CAA in Official Record Series 3, which is available on the ATOL website [www.atol.org.uk](http://www.atol.org.uk)

## Summary

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To summarise, examples of how to comply with the ATOL Regulations are in the chart below. If you have any queries about complying, you can contact us for advice.



# Providing information

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## Advertising and promoting

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All information in respect of an ATOL protected flight or trip must comply with the requirements set out in the ATOL Standard Terms<sup>4</sup>, irrespective of whether the charity holds an ATOL, is an agent for an ATOL holder or an Accredited Body member. This includes all publicity material such as advertising, brochures and websites, terms & conditions of booking and all other documentation which the charity uses.

All money required to be paid by a participant for a flight or trip item must be disclosed in any promotional material, including any brochures, booking forms and application forms and it must be clear which items are protected by ATOL and the payment that relates to those items.

It must also be clear that only part of the payment will be for an ATOL protected flight or trip and that the rest will be a charitable donation, which will not be ATOL protected. It is important that the position of each payment is clearly defined in information for participants, and the example below sets out one way in which this might be achieved:

When you apply to join the trip, we shall require an initial registration fee of £a. Of this amount:

- £b is the deposit for your ATOL protected trip and
- £c covers our initial administration costs

A further amount of £x will then be collected [when]. Of this amount:

- £y is the balance payment for your ATOL-protected trip and
- the remaining £z is a donation to the charity.

The total sum raised, including the amount you pay for the trip, will contribute towards the target to be raised to be eligible to take part in the trip.

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<sup>4</sup> The ATOL Standard Terms are published in the CAA's Official Record Series 3, which is available on the ATOL website [www.atol.org.uk](http://www.atol.org.uk). If you would like more information about the requirements for advertising, terms & conditions and other documentation please contact us.

If we become insolvent and have to close, only the deposit of £b and the balance of £y that you paid for your ATOL-protected trip will be refundable under the ATOL scheme.

## **Information to be provided to participants**

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All documentation provided to participants, including invoices and receipts for money paid, must also clearly show how much of that payment is for an ATOL protected flight or trip and how much is a charitable donation or other payment, such as an administration fee, which is not ATOL protected.

## **The ATOL Certificate**

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Immediately a charity accepts any payment towards an ATOL protected flight or trip, either as an ATOL holder, the agent of an ATOL holder or an Accredited Body member, it must supply an ATOL Certificate to the participant in accordance with the ATOL Regulations.

Where a charity is the agent for an ATOL holder, the ATOL holder might produce the ATOL Certificate for the charity to pass on to the participant when payment is received. Where this is the case, there must be a mechanism whereby the participant receives the ATOL Certificate immediately.

## ATOL protected funds

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Charitable donations are not protected by the ATOL scheme. This includes money paid in the form of a donation to a charity or to a third party such as an online giving platform<sup>5</sup> by a participant or anyone supporting the participant.

Where money donated by participants or those supporting participants is then transferred to an ATOL holder (or the agent for an ATOL holder or an Accredited Body member) and it is made clear that the money is specifically for payment towards an ATOL protected flight or trip then, at that point, the money is protected by ATOL.

Immediately money is transferred to an ATOL holder (or the agent for an ATOL holder or an Accredited Body member) in this way, an ATOL Certificate must be supplied to the participant, if one has not already been supplied.

## ATOL holder failure

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In the event of the failure<sup>6</sup> of an ATOL holder, either:

- the Civil Aviation Authority will make arrangements for an alternative ATOL holder to provide the trip and any money outstanding would be paid to the alternative ATOL holder; or,
- the individual participants will be entitled to make a claim via the Civil Aviation Authority to the Trustees of the Air Travel Trust<sup>7</sup> for a refund of the monies they personally paid to the ATOL holder (or to the agent of the ATOL holder) for their ATOL protected flight or trip. Participants must be able to produce documentation that clearly shows how much they paid towards their ATOL protected flight or trip. Payments made by participants that are not protected by ATOL will not be refunded to participants.

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5 An online giving platform provides a way for donors to give money online to a charity. These online solutions can be operated by commercial companies, not-for-profit organisations or by charities themselves.

6 'Failure of an ATOL holder' is defined in the ATOL Regulations as "...a person who held an ATOL within the previous 6 months – (i) has gone into insolvency; (ii) cannot or will not be able to meet its obligations to its consumers; or (iii) will fail to meet its obligations to its consumers;..."

7 The Air Travel Trust Fund is the primary source of funding when an ATOL holder fails. Monies from the Fund are used to meet refund and repatriation costs arising from a failure. The Fund is administered on behalf of the Air Travel Trust by the Civil Aviation Authority.

This includes charitable donations and other payments such as registration fees.

If ATOL protected participants are abroad when an ATOL holder fails, the Civil Aviation Authority on behalf of the Air Travel Trust will make arrangements for them to be brought back to the UK.

## Why it is important to comply with the ATOL Regulations

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Compliance with the regulations ensures that individuals know when they are protected by ATOL and that they receive the financial protection they are entitled to, as outlined above. This helps to maintain confidence in travel organisers, regardless of whether travel is for charitable, leisure or business purposes.

Anyone, including charities and fundraisers, advertising or offering flights or flight-inclusive trips and not complying with the regulations is committing an offence.

In instances of non-compliance, our approach will be to try and resolve a breach or a suspected or potential breach through a range of measures, as set out in the CAA's Regulatory Enforcement Policy and the ATOL and Airline Licensing Enforcement Guidance<sup>8</sup>. Ultimately this may mean taking regulatory action against someone holding an ATOL or criminal proceedings.

This aim of this document is to make it easier for you to comply with the regulations and ensure that those participating in fund raising activities are protected where required and the reputation of charities is maintained. If you would like to ask us a question about any of the aspects referred to in this document or would like us to check whether you are operating correctly please contact us.



If you would like more information  
call us on  
**020 7453 6700**  
or email  
**ATOLcompliance@caa.co.uk**

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<sup>8</sup> These documents are available on the CAA's website [www.caa.co.uk/enforcement](http://www.caa.co.uk/enforcement)

# Examples of when you would need an ATOL

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The following are examples of trips that would require the organiser to hold an ATOL:

**A person raises money for a charity and some of the money raised is used to cover the cost of a trip including flights for that person.**

Often the organiser of the trip is a business that holds an ATOL and the charity acts as the ATOL holder's agent.

Usually a minimum amount of money is required to be raised for the charity before the person is allowed to participate in the trip. Sometimes the person is required to pay an initial registration or administration fee, either to the charity or to the ATOL holder. Only the money used to cover the cost of the trip is ATOL protected. The charitable donations and any other fees would not be ATOL protected.

**A person books and pays for a flight inclusive holiday, where one of the conditions of the holiday is that the person must raise and give (a minimum amount of) money to a charity.**

**A person takes part in a flight inclusive trip to assist with a project.**

This type of trip is often organised by, or on behalf of, a voluntary group.

**A flight inclusive trip is offered by a charity or other organisation to a person free of charge.**

**A person wins a flight inclusive trip in a fund raising exercise for charity, for example, in a raffle.**

The trip is often purchased by the raffle organiser from a tour operator that holds an ATOL. If the ATOL holding tour operator fails, the organisation that purchased the trip may make a claim for the cost of the trip if it can provide proof of payment.