

# CAA guidance for travel companies selling package holidays to UK consumers

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**Are you a travel company based outside of the UK or the European Economic Area (EEA)? Are you selling or offering for sale flight-inclusive package holidays in the UK?**

**If so, it is in your own interest to read this guidance carefully. Failure to comply with relevant legislation could lead to you committing a criminal offence in the UK.**

## What is a package holiday?

A package holiday is a combination of two or more different travel services sold together for the same trip. The relevant legislation refers to four types of travel services, including the carriage of passengers on flights, trains or coaches, accommodation, motor-vehicle hire and any other tourist service not intrinsically part of those services.

So, for example, if you are selling a combination of flight and accommodation for the purposes of the same trip this may fall within the definition of a package holiday according to the relevant legislation.

The sale of package holidays in the UK is covered by a range of UK and EU consumer protection legislation. Consumers booking package holidays in the UK benefit from the legal protections that this legislation provides. These protections help foster the consumer confidence the travel industry needs to thrive.

## I'm a travel company based outside of the UK / EEA – does this apply to me?

You must comply with this legislation if you are a package organiser selling, or offering for sale, package holidays to consumers in the UK, whether at trade fairs, or through magazines, newspapers or websites, even if your business is established outside of the UK or the EEA. If you do not, you are depriving consumers in the UK of the protections to which they are entitled. In the UK, it is a criminal offence to breach certain provisions of the applicable legislation.

The UK is a key market for my business and I want to trade in compliance with the law – what are my legal obligations?

There are various regulations that are designed to protect consumers and which apply to businesses that make available travel services and/or holiday travel arrangements. These include:

- The Package Travel and Linked Travel Arrangements Regulations 2018;
- The Air Travel Organiser's Licence (ATOL) Regulations 2012, as amended;
- The Civil Aviation (Contributions to the Air Travel Trust) Regulations 2007; and
- The Consumer Protection from Unfair Trading Regulations 2008.

Key protections provided by this legislation include:

- Making the organiser liable for the performance of the travel services making up the package (even if performed by third parties);
- Protecting against the insolvency of package organisers, ensuring travellers are refunded, or where applicable, repatriated should the organiser become insolvent;

Ensuring that detailed information is provided to the traveller so that it is clear what they are buying and what the associated protections are.

### **The Package Travel and Linked Travel Arrangements Regulations**

These regulations set out the obligations of those selling package holidays or linked travel arrangements (defined in the regulations) Package organisers are liable to the traveller for the performance of the travel services included in the package, including those provided by other travel service providers.

The regulations also provide that if any of the travel services are not performed in accordance with the contract, the organiser may be required to remedy the lack of conformity. In practical terms, this means that consumers may be able to claim compensation from you if the holiday is not as described.

### **The ATOL Regulations**

Under the Package Travel and Linked Travel Arrangements Regulations, package organisers, including those based outside of the UK, must provide financial protection to ensure consumers are not stranded overseas or do not lose money if the organiser becomes insolvent. In the UK, mandatory financial protection for air package holidays is provided under the ATOL scheme. The ATOL Regulations apply to traders that sell flight-inclusive package holidays to consumers in the UK, whether they are based in the UK or not. These regulations require traders to hold an ATOL licence in order to sell flight-inclusive package holidays. You can find more information about ATOL on the CAA's website [www.atol.org.uk](http://www.atol.org.uk).

## **I now understand my legal obligations – what do I do next?**

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The first thing you need to do is apply to the CAA for an ATOL. You cannot legally sell, or offer for sale, flight inclusive package holidays in the UK without holding an ATOL and complying with its terms. If you do, you will be committing a criminal offence in the UK and you could be prosecuted by the CAA.

There are different types of ATOL licence depending on the type of business you operate. To apply for an ATOL please get in touch with the CAA's ATOL licence helpdesk by email ([newapplicants@caa.co.uk](mailto:newapplicants@caa.co.uk)) or telephone (0044 (0)20 7453 6361).

You will also need to ensure that you are complying with the broader legal obligations of the Package Travel and Linked Travel Arrangements Regulations. The UK Government's Department for Business, Energy and Industrial Strategy has published guidance for businesses to help them comply with these regulations.

## **I see now that I may not have been trading lawfully – am I at risk of prosecution if apply for an ATOL?**

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The UK Civil Aviation Authority (CAA) is responsible for ensuring that travel companies comply with consumer protection legislation covering the sale of flight-inclusive package holidays in the UK. The CAA monitors the market for non-compliance. The CAA can, and does, take enforcement action to tackle breaches of the law that harm consumers.

However, the CAA will always work constructively with businesses that are seeking to trade fairly and in compliance with the law. The CAA is always willing to provide advice and guidance to such businesses and we recognise where businesses take proactive steps to seek advice from the CAA and to take steps to address previous non-compliance.