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Kelly Tolhurst MP
Minister for Aviation
Department for Transport
Great Minster House
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22 June 2020

Dear Minister,

We are writing to highlight our serious concerns about the failure of the travel industry to provide timely refunds as they are required to by law for package holidays and flight cancellations, and to call on the Government to urgently intervene on behalf of consumers across the UK.

We continue to hear from people who are struggling to get the money that they are owed for cancelled trips - many of whom are facing financial problems of their own as a result of the crisis. The industry's own estimates from April 2020 suggest that up to £7 billion in payments made by UK consumers could be affected. Unsurprisingly, recent analysis by Which? found that consumer trust in the travel sector is at a record low, as many of the UK's biggest airlines and travel operators are openly breaking the law by refusing refunds or failing to offer one within the required period. We welcome the government's public commitment to maintaining current consumer protections, however we are concerned that in many cases the existing law is not being followed.

The Competition and Markets Authority recently launched an investigation into package travel cancellations, however, there is an immediate action the Government can take in relation to refund credit notes (RCNs). We are aware that many travel companies are forcing customers to accept RCNs and vouchers in lieu of cash refunds. While we support the use of RCNs where a customer chooses to accept one, there remains a worrying lack of clarity over the level of protection linked to them. Now more than ever, it is vital that people can be certain that their hard-earned money is adequately protected against insolvency, so that consumers can confidently opt for RCNs where possible.

At the same time, the Civil Aviation Authority is also investigating airlines' non-compliance with the law. Despite not yet refunding passengers for cancelled trips due to take place as far back as March, a number of major airlines have announced that they will resume flights in the coming weeks. Meanwhile, the government's indefinite ban on non-essential travel remains in place, with a 14-day quarantine for UK arrivals recently introduced.

This contradictory approach across industry and the government will leave consumers confused as to the status of their upcoming holidays. Will they get a refund if they follow government advice not to travel but the flight still goes ahead? Will they be required to pay the balance on a holiday that may be cancelled? Will they get a refund if they choose not to travel because they are unable to follow the subsequent 14 day quarantine period on returning to the UK? How long would they have to wait for a refund? If they do travel, will travel insurance apply while the travel ban is still in place? With millions still waiting for refunds, those with future travel booked will also be unclear about whether they will be eligible to get their money back if their trip is cancelled.



As we approach the summer holiday period, it is clear that action must be taken to tackle the challenges specific to travel head on and to ensure that trust in the sector is not permanently damaged.

The government must urgently clarify whether RCNs offered for ATOL-protected holidays will also be covered by the ATOL scheme. It must also clarify and coordinate its approach to supporting air travel to resume operating as soon as possible, ensuring that airlines and holiday companies allow flexible rebooking and cancellation options for those no longer able to travel.

Yours sincerely,

A handwritten signature in black ink that reads 'Anabel Houlton'.

Anabel Houlton
Chief Executive, Which?

cc:

Paul Scully MP, Minister for Small Business, Consumers & Labour Markets & Minister for London

Richard Moriarty, Chief Executive, Civil Aviation Authority

Mhairi Black MP
Kevin Brennan MP
Alan Brown MP
Sarah Champion MP
Douglas Chapman MP
Ronnie Cowan MP
Tracey Crouch MP
Judith Cummins MP
Martin Docherty MP
Marion Fellowes MP
Margaret Ferrier MP
Yvonne Fovargue MP
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