

# Major COVID-19 challenges for package travel organisers

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# Challenges reported by PT organisers

- Unprecedented administrative burdon related to checking rules for travelling and for filling forms which are not unified.
- Unclear how to deal with those infected with Covid-19 during package tour.
- Unclear which situations meet the criteria of „extraordinary and unavoidable circumstances“ and when it should be assessed
- Unclear relevance of travel advisories and warnings published by governments
- Refund of all payments in 14 days does not reflect the cash-flow.
- Neither the time limit of 7 days in which the carrier is obliged to refund payments for cancelled tickets is respected (probably for the same reasons).
- Air carriers are very powerful compared to travel agencies/tour operators and dictate their terms.

# Challenges continued

- Lack of insolvency protection post-Covid and as a result increase of „shadow economy“ and semi-legal attempts to evade package travel law.
- The organiser's redress against the suppliers is very arduous to achieve.
- The suppliers of services do not have a (14 days) deadline to refund for cancelled services. If you were lucky, they used it as a deposit for the next season.
- Etc.

# Extraordinary and unavoidable circumstances in theory

- Article 3 (12) PTD
- ... a situation beyond the control of the party who invokes such a situation and the consequences of which could not have been avoided even if all reasonable measures had been taken
- CJEU in Air Passenger Rights cases
- An event not inherent in the normal exercise of the activity of the carrier concerned
- and beyond the actual control of that carrier

# Extraordinary and unavoidable circumstances in theory

- Article 12 (2) PTD
- Notwithstanding paragraph 1, the traveller shall have the right to terminate the package travel contract before the start of the package without paying any termination fee in the event of unavoidable and extraordinary circumstances occurring at the place of destination or its immediate vicinity and significantly affecting the performance of the package, or which significantly affect the carriage of passengers to the destination. In the event of termination of the package travel contract under this paragraph, the traveller shall be entitled to a full refund of any payments made for the package, but shall not be entitled to additional compensation.

# Extraordinary and unavoidable circumstances in practice

- In which situations applicable - ambiguous and to be distinguished from Regulation 261/2004
- What is the right time to assess the conditions of application?
- What if the conditions change after the withdrawal from the contract?
- Meaning of „immediate vicinity“?
- Relevance of travel advisories by the Government?

# Right of redress from suppliers in theory

- Article 22 PTD
- In cases where an organiser or, in accordance with the second subparagraph of Article 13(1) or Article 20, a retailer pays compensation, grants price reduction or meets the other obligations incumbent on him under this Directive, Member States shall ensure that the organiser or retailer has the right to seek redress from any third parties which contributed to the event triggering compensation, price reduction or other obligations.

# Redress from suppliers in practice

- Is it applicable at all in Covid? „contributed to the event triggering compensation, price reduction or other obligations“ x typical situations of applicability
- procedural obstacles in bringing the supplier to the court
- problems with applicable law
- problems of enforcement
- United Kingdom and other non-EU countries



# Call for action!

- Package travel organizers acting responsibly
- Lack of guidance
- Lack of fair balance



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**Thank you for your attention!**

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