

## EU TRAVEL TECH COMMENTS ON THE APPLICATION AND REVISION OF THE PACKAGE TRAVEL DIRECTIVE

The Package Travel Directive (“PTD”) has now been applied since 2018 and these last three years have allowed for a “stress test” of its provisions in light of its objectives: the proper functioning of the internal market and a high level of consumer protection in the area of package travel. It is eu travel tech’s assessment that its application, including but not limited to the context of the COVID-19 crisis, has exposed some structural flaws of the text which should be remedied. **eu travel tech therefore calls for a thorough revision of the PTD addressing key issues, in particular those relating to the lack of harmonisation between the PTD and the Air Passenger Rights Regulation and proper enforcement, insolvency protection, refunds and cancellations, and lack of legal clarity.**

### Introduction

As highlighted by the Commission report on the application of the PTD issued in February 2021<sup>1</sup>, certain challenges to the application of the directive have been clearly identified, both in normal times and in exceptional times such as the COVID 19 crisis. Indeed, certain shortcomings of the PTD were apparent even before its entry into force, such as the complexity of the concept of “Linked Travel Arrangement” (LTA) and the blurred line around the concept of package travel<sup>2</sup>.

The COVID-19 crisis has also exposed the unsustainable pressure on the liquidity of organisers resulting from the PTD obligation to refund customers within 14 days<sup>3</sup>, which is not matched by equivalent B2B obligations for each travel service provider.

**As a result, organisers are less and less able to sell packages due to the high regulatory pressure, and therefore favour the selling of stand-alone travel services.** Down from 23% in 2013, package travel only represented 9% of the volume of travel products sold in 2017 in the EU and this trend is most likely still going downwards.

The first objective of the revision of the PTD should be to ensure that it is still commercially viable to sell package travel for organisers so as to ensure that the high level of consumer protection attached to packages continue to be widely available in the market. For this to happen, an **alignment between the PTD and the**

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<sup>1</sup> [Report on the application of Directive \(EU\) 2015/2302 of the European Parliament and of the Council on package travel and linked travel arrangements](#)

<sup>2</sup> The [flowchart](#) issued by the European Commission with the objective of clarifying the situation for consumers is the best illustration of this complexity, as it has only highlighted the lack of clarity of the text.

<sup>3</sup> Article 12(2) and 12(4) of Directive (EU) 2015/2302

**Air Passenger Rights Regulation<sup>4</sup> is fundamental. Furthermore, a large part of the issues that need to be tackled via the PTD originate in the ongoing practices of airlines – whilst making sure the PTD accomplishes its objectives is of utmost importance, its impact will be substantially limited if the root cause is not addressed.** This means that **alignment of the PTD and Air Passenger Rights Regulation is as important as a joint enforcement of the two texts. Without this, many of the potential improvements to the text on important issues such as insolvency protection, refunds and prepayments, among others, risk being incapable to create meaningful changes for consumers and businesses alike.**

Eu travel tech presents below its considerations on aspects of the current PTD where we see room for improvement in a future legislative proposal.

## 1. FINANCIAL PROTECTION

**1.1. The mismatch between refund rules imposed on organisers versus airlines must be addressed. The existing insolvency protection schemes for organisers must be matched with an equivalent insolvency protection scheme for airlines. An EU-insolvency back-up fund should be considered, but it should not be seen as a substitute for fixing the critical gap regarding airline insolvency protection.**

The historic exemption of airlines from the scope of mandatory insolvency schemes is deeply problematic as it exposes package travel organisers to an unsustainable financial liability. Long-term trends and the effect of the COVID-19 pandemic necessitate a strong insolvency protection framework in air travel. Paradoxically, the aviation sector has known relatively few airline insolvencies since the beginning of the COVID-19 crisis.<sup>5</sup> However, such insolvencies are simply being postponed by the historic amount of state aid provided to the sector<sup>6</sup>. As governments cannot and should not finance the European airline sector indefinitely, a coming wave of insolvencies is inevitable. Additionally, the more general trend of frequent airline insolvencies is likely to continue.<sup>7</sup>

**eu travel tech firmly believes that a strong insolvency protection framework for air travel is necessary to safeguard consumers.<sup>8</sup>**

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<sup>4</sup> Regulation (EC) 261/2004

<sup>5</sup> There were only 13 European airline failures in 2020, down from 15 in 2019 and 2018

<sup>6</sup> CAPA Centre for Aviation: [COVID-19 prompts dramatic increase in state aid to \(some\) European airlines](#)

<sup>7</sup> Since 2017, 51 European airlines went insolvent (incl. names such as Monarch, Air Berlin, Flybe, Adria Airways and Aigle Azur)

<sup>8</sup> The [Danish model of insolvency protection](#) for air travel could be used as best-practice

A legal framework for airline insolvency protection, as also supported in the Commission's Sustainable and Smart Mobility Strategy<sup>9</sup> and recommended by the European Court of Auditors in their recent report<sup>10</sup>, should be consistent with obligations under the Package Travel Directive to ensure a level playing field. In effect, air customers' payments and thus their refunds (or vouchers issued in lieu of the refunds) should be fully financially protected by an airline in case of that airline's own insolvency (such protection being applicable to all air ticket sales made through both direct and indirect distribution channels).

Currently, the PTD requires organisers to obtain security for the refund of all payments from customers '*where the relevant services are not performed as a consequence of the organiser's insolvency*'. This protection does not necessarily cover refund rights or vouchers issued before an organiser becomes insolvent. In the public consultation<sup>11</sup> (question 19), the European Commission asks respondents if they agree that refund rights against an organiser should be protected in case of insolvency, and/ or that vouchers issued by organisers should be protected in case of insolvency, amongst other options. Although we agree with the two abovementioned options, better protection for organisers - for refunds and vouchers - can only be achieved if the issue of insolvency protection for air travel is addressed.

It is in this light as well that **eu travel tech looks at the potential creation of an EU insolvency back-up fund: it could prove beneficial to consumers and organisers only if the issue of insolvency protection for air travel is addressed**. Both package travel organisers and travel services providers should be subject to the abovementioned insolvency protection obligation. A back-up fund covering only organisers should not be considered as an alternative to insolvency protection for airlines.

In this context, seeing the issues around national guarantee funds in the context of the PTD over the past years, an EU-wide solution may be needed to ensure proper consumer protection and consistency across the internal market. Its **purpose should be to mainly cover repatriation when needed and the contributions to such fund would need to be spread across all parties involved in a package booking, and follow a tiered approach, associated with the level of risk**, i.e., different players present different level of risk, therefore their contributions should be calculated according to well defined pre-set criteria. Different factors should be taken into account such as the size and business model of the company or type of packages / mode of transportation (e.g. flights or cruise ships can lead to more costly repatriation actions whereas packages with land transportation or no transportation may not require repatriation at all). To further illustrate the point, in a large number of cases OTAs either never hold the

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<sup>9</sup> See point 64 of the [Annex to Commission's Sustainable and Smart Mobility Strategy Communication](#)

<sup>10</sup> [Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts](#)

<sup>11</sup> [European Commission public consultation on Package Travel – review of EU Rules](#)

traveller monies for the booking (as the funds are paid directly to the travel service provider, e.g. airline) or only hold onto the monies for a relatively short period of time leaving little or no risk of the OTA becoming insolvent in the meantime. Furthermore, from the moment the travel service provider (airline, hotel, etc.) receives the traveller monies, it is legally bound to provide the travel services purchased. As such, the traveller bears no or little risk of the travel services not being delivered, even in the unlikely event of the OTA's insolvency in the interim.

By comparison, traditional tour operators take either large deposits or full payment from customers at the time of booking and do not transfer such monies, if at all, until much later in the booking process. Especially as tour operators sometimes operate their own charter flights (making the potential repatriation costs also greater) and/or financially commit to large hotel room allocations booked in advance therefore posing a much greater risk to customers of sinking into insolvency whilst holding the customers' monies.

The mechanism(s) and criteria for insolvency protection as well as the required level of security, be it at national or EU-wide guarantee fund level, should be reflective of the above risks given that the risk and exposure that OTAs may present to customers and/or guarantee funds is substantially lower than other higher-risk businesses.

Moreover, in order to achieve a consistent level of protection for consumers across EU/EEA, participation in such **EU insolvency back-up fund should be made available to organisers that may be established outside the EU/EEA**, but which nonetheless direct their organiser activities to one or more EU/EEA Member States.

## **1.2. The PTD must set clear rules on B2B refunds, i.e., from travel services providers to package organisers**

**Eu travel tech strongly supports the adoption of rules on refunds from providers of travel services (e.g. airlines) to package organisers.** Whilst it is straightforward to manage refunds for travel services where the organiser holds the funds paid by the traveller, this is not the case where the organiser either never receives the funds or no longer holds them as they have been passed to the travel service provider. The latter is often the case with the air component of travel packages where tickets are either paid directly to the airline or paid to the organiser by the traveller, but then paid to the airline within 14 days through IATA's Billing and Settlement Programme.

Liquidity issues were exacerbated during the COVID crisis by airlines not offering refunds for involuntary cancellations and/or creating hurdles to the process by which organisers could process refund requests and/or only issuing credits in the name of the passenger. This is despite Article 7(3) of the EU Passenger Rights Regulation 261/2004 which states that vouchers are only permissible as an

alternative to a cash reimbursement “*with the signed agreement of the passenger*”. This meant that if the traveller rejected a credit, organisers had to provide the cash refund for the flight portion of the package to the traveller and attempt to recoup this from the airlines if that was possible. De facto this forced many organisers to act as an informal credit line for the airlines.

Furthermore, proper enforcement on B2B refund is required - during the pandemic some National Enforcement Bodies showed concerns about their lack of enforcement power for B2B refunds<sup>12</sup>. This poses great problems for intermediaries and directly affects customers; therefore, it should be equally addressed in the review.

**To effectively address this issue of refunds by airlines, only legislation, and not mere recommendations, would force an industry wide change of practices by airlines.** Indeed, as shown by the recommendations issued by the European Commission in 2020, the airline industry will not change their practices unless confronted with regulation accompanied by strong enforcement. Furthermore, there is no possibility that organisers will be able to negotiate these terms into their contracts with all airlines, particularly as the former, unlike the latter<sup>13</sup>, are not able to negotiate collectively, putting them in a position of relative weakness.

In the public consultation (question 15), the European Commission looks at the possibility of revising the rules on refunds in case the contract is terminated due to “unavoidable and extraordinary circumstances”. The options put forth are threefold: a) maintaining the current 14-day refund period for all packages; b) to make the refund period for packages dependent on the means of transport included in the package and corresponding to the period applicable to stand-alone tickets in relation to the relevant means of transport, or c) none of the above.

For eu travel tech none of the above options would suffice to address the existing issues since they cannot be implemented without a change to the rules applicable to travel service providers, in particular airlines. Even if we take option b), which points to some level of harmonisation, it would not by itself be enough to force travel services providers to provide refunds to organisers in the event that a traveller cancels and is entitled to a refund under the PTD.

Therefore, we support that a new rule on refunds by airlines should be implemented across the board, both through the revision of Air Passenger Rights Regulation (EU 261/2004) and through the revision of the PTD.

- **For the PTD:** Amend Article 22 of the PTD to add a B2B element where there are “unavoidable and extraordinary circumstances” giving rise to a termination

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<sup>12</sup> For instance, the UK NEB [refund report](#) (2020) states that they don't have an enforcement power to sanction airlines when they do not refund passengers. This is also recognised in the [Court of Auditors](#) report (see paragraph 35).

<sup>13</sup> Airlines negotiate collectively through the IATA Agency programme.

and refund right under the PTD. The amendment would obligate the travel service provider to reimburse organisers within 7 days of request in the event the travel service provider holds the money the traveller. Furthermore, where the travel service provider holds the money and has refused to or failed to refund the organiser within that deadline, there should be a suspension of full liability of the organiser (or retailer) under exceptional circumstances.

- **For the Air Passenger Rights Regulation:** Mirror the organiser responsibilities under the PTD and place an obligation on airlines to provide a refund under “unavoidable and extraordinary circumstances” and in addition, clarify the role of Official Government Travel Advice in respect of triggering a refund (thus aligning the level of protection given to standalone and package customers in these extraordinary circumstances).

Such changes would prevent a consumer from losing rights due to the timing of the cancellation and provide better certainty for them - as many consumers during COVID-19 cancelled their flight booking before the airline itself cancelled the flight – in this instance the airlines viewed this as a voluntary cancellation and took the position that they did not have an obligation to provide a refund.

### **1.3. The existing insolvency protection schemes for organisers should be harmonised.**

eu travel tech supports an EU coordinated approach to national insolvency protection schemes, establishing a minimum set of requirements to apply across all Member States. At present, different EU Member States use different methodologies to calculate the level of insolvency protection required, and there is a lack of consistency in terms of which type of protection or guarantee is accepted to meet local compliance standards. Such fragmentation gives rise to varied levels of protection standards for consumers depending on their geographic location; at the same time, business players find increasingly difficult to keep up with a wide array of rules.

This differing approach between Member States also causes broader problems, taking into account the mutual recognition principle for insolvency protection, which allows an organiser to protect their cross-border internal market trading in one Member State. In addition, non-EU/EEA organisers are currently required to comply with each insolvency protection requirement in all the EU/EEA countries they operate. Having the same rules applying to all organisers who direct their organiser activities to one or more EU/EEA Member States should be considered in the PTD review.

**1.4. A possible limitation of pre-payments to be made by package travel customers can only be considered if the same rules apply to travel services providers.**

Question 22 of the public consultation suggests that restrictions on pre-payments for packages and LTAs before the performance of the service could reduce the need for insolvency protection and problems related to refunds. At the same time, they may increase costs for travel customers. The options put forth by the European Commission range from suggesting that pre-payments for packages and LTAs should be prohibited completely, to including no prohibitions or limitations; or alternatively, package organisers should give customers the option of deferring payment until shortly before departure.

For eu travel tech none of the proposed options is appropriate because they all fail to address the core of the problem: travel service providers dictate the requirement for services forming a package to be prepaid. Therefore, **a limitation of pre-payments by consumers who purchase packages can only be considered in correlation with a corresponding limitation of pre-payment by organisers to travel services providers.**

Organisers do not have the financial ability to prepay for the different components of a travel package, especially the air component, if they do not receive corresponding payments from their customers. The only result of such a limitation on pre-payments, if not accompanied by a limitation of B2B pre-payments, would be that organisers would be forced to finance packages, which given the cost and risk associated, would mean that many organisers would have no realistic choice but to stop selling package travel.

Indeed, package organisers suffered considerably in the early stages of the pandemic as a result of issuing refunds immediately while having to chase airlines for reimbursement of money that had already been paid to the airlines pre-flight through the IATA BSP or via similar connectivity channels. Limitation of pre-payments without equivalent limitation of prepayments from package organisers towards travel service providers would just exacerbate this issue.

**1.5. Chargebacks mechanisms can have unintended consequences for intermediaries in case of insolvency of the travel service provider.**

While chargebacks mechanisms protect package travel customers, it is important to keep in mind that they can have a detrimental impact on intermediaries in certain circumstances. If we take as an example what happened at the peak of the COVID-19 crisis, when airlines struggled to cope with the financial and logistical challenges resulting from the travel disruptions, travellers' consumer rights under EU law were not being respected. Many consumers opted to trigger the chargebacks seeking to hold flight booking intermediaries financially responsible for airline failures to provide flight services.



This raised many concerns from intermediaries because should those airlines become insolvent due to prolonged disruptions caused by the COVID-19 pandemic, flight booking intermediaries would face material unfair financial exposure under the Chargeback Rules. **Under normal business conditions, flight booking intermediaries are able and willing to meet chargeback claims and seek reimbursement from the responsible airline(s). However, this would not be possible where an airline has become insolvent** – flight booking intermediaries would be forced to meet chargeback claims out of their own funds.

eu travel tech is concerned that in such an insolvency situation, the Chargeback Rules seek to override the applicable insolvency laws and rules that are in place in EU Member States at national level, which protect all interested parties, including unsecured creditors. Therefore, eu travel tech favours a cease of chargebacks against flight booking intermediaries in airline insolvency cases.

## 2. MAKE THE PTD MORE RESILIENT TO FUTURE CRISIS

### 2.1. The concept of ‘unavoidable and extraordinary circumstances’ (Article 3(12)) needs to be amended. This will be crucial to navigate any future grand scale crisis.

In May 2020, right after the first wave of COVID-19 and the ensuing wave of cancellations, the European Commission issued [recommendations](#) on voluntary vouchers offered to passengers as an alternative to reimbursement for cancelled package travel services. However, those recommendations failed to address one fundamental issue: the mismatch between refund rules under the PTD and of those under Air Passenger Regulation 261/2004. Under the PTD rules, a consumer can cancel a package travel in the case of “unavoidable and extraordinary circumstances”. A customer may therefore currently decide to cancel a package holiday due to the health situation at a destination, based on the travel advice issued by the country of departure or by the country of arrival. However, there is no equivalent right to cancel in Regulation 261/2004. As a result, if the airline operating the flight included in the package decides not to cancel or cancels very close to departure (i.e., after package customers have already taken a decision not to travel and cancelled the package), it closes the door to any refund from the airline to the package organiser. In such a case, the organiser is liable to its customer for the refund of the package whereas the airline considers it is not liable for the refund of the flight to the organiser because the cancellation (and in particular, the timing of the cancellation) is classed as a voluntary cancellation by the customer. This liability gap creates an unsustainable pressure on the organiser. Such liquidity gaps are exacerbated by the fact that organisers generally have much lower liquidity than large travel operators, since the vast majority of booking revenues is either directly paid to travel service providers at



the time of booking or quickly transferred to travel service providers involved in the package after the booking is made.

**In this context, the interpretation of “unavoidable and extraordinary circumstances” needs to be revised.** Leaving this simply to a case-by-case assessment creates uncertainty to a degree that will impact the viability of the package travel market in its entirety. Furthermore, we need to consider that new pandemics may occur in the future, and it is vital to clearly define when an event which may have been initially considered as “unavoidable and extraordinary circumstances” will no longer be considered so. An ongoing and/or foreseen event should not give rise to a right of termination and full refund.

For this reason, **eu travel tech also proposes the implementation of a force majeure mechanism to future proof against global pandemics or other global far-reaching events.** A force majeure mechanism would not be intended to reduce consumers’ rights, but instead to allow for better and more consistent management of a crisis between EU Member States and to support the ongoing business viability of the travel industry during global force majeure events. A force majeure mechanism could ensure that in such a situation, a nominated authority could declare a force majeure event and trigger adjustments to the PTD, such as the right to issue vouchers, and/or extending the 14-day refund window, and mandating that travel service providers must have already refunded organisers, before organisers can be expected to refund consumers.

## **2.2. The PTD must regulate the consequences of ‘official travel warnings’, in particular their legal value in connection with cancellations because of unavoidable and extraordinary circumstances.**

It is crucial to clarify the role to be played by government travel advice in the justification of the cancellation by customers of package travel. This was originally part of the Commission’s proposal (recital 26) for a revised PTD published in 2013 but was subsequently dropped from the final legislative text.

The relevance of official travel advice was also recognized in the Commission’s Guidance Note of March 2020<sup>14</sup> which suggested that negative travel advice would be a factor in deciding whether this was the case. But the question is which travel advice is decisive: (i) the travel advice issued by the customers’ country of departure, (ii) the travel advice of the customers’ destination country or (iii) the travel advice of the country of departure related to rules on quarantining and testing on return? In addition, at which point is the package that is booked affected by the unavoidable and extraordinary circumstances risen because of the travel advice? During the peak of the COVID-19 pandemic these were often

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<sup>14</sup> [INFORMATION ON THE PACKAGE TRAVEL DIRECTIVE IN CONNECTION WITH THE COVID-19](#), European Commission

conflicting. These questions have to be addressed in a consistent way across the EU in order to give legal certainty to organisers and their customers.

### 2.3. Regulate the issuance of vouchers during extraordinary circumstances.

A clear distinction between "crisis voucher" – such as those used during the peak of the COVID-19 crisis – and a regular 'commercial voucher' must be made. In case of extraordinary circumstances, organisers should be given the possibility to issue 'crisis vouchers' instead of a refund within 14 days provided that (a) customers agree, (b) that there is a guarantee that customers will receive their money back if the voucher is not used within its validity period, and (c) that vouchers are protected against the insolvency of the issuer.

However, the protection of vouchers against insolvency is only possible if underwriters of insolvency protection or regulators of such national schemes *de facto* support such voucher protection.

### 2.4. Creation of an EU crisis fund

The PTD reform should focus on correcting existing gaps in the legislation, such as the inequitable refund and insolvency protection obligations imposed on organisers versus airlines. The liability gap has been highlighted during COVID-19. Thus, eu travel tech would like to see a more thorough impact assessment on the need and expected impact of a possible EU crisis fund to ensure timely refunds for package travel customers. Nonetheless, **we are not opposed to the principle of such a fund as long as transport providers, notably airlines, also contribute alongside customers and other travel service providers.**

Contributions to a potential EU crisis fund should be proportionate and reasonable in order not to disincentivise package travel customers and/or organisers and travel service providers.

## 3. IMPROVE LEGAL CLARITY BY REMOVING COMPLEX AND UNCLEAR CONCEPTS AND IMPROVING KEY DEFINITIONS

### 3.1. The current definition of package should be kept; however, its consistency with other relevant legislations must be guaranteed.

The current definition of a package as a combination of at least two different types of travel services (e.g. transport and accommodation) for the same trip or holiday where certain criteria, indicating a close link between the services, are met should be maintained. Packages that are a combination of a single travel service and tourist service are administratively burdensome on organisers and represent

a lower value package in terms of cost to more traditional package components, therefore they should be out of scope of the PTD.

We believe that the package definition is sufficiently clear and that the effort should be put instead on increasing transparency and simplification of processes. Customers should be informed clearly at the time of booking on their options, i.e., booking a package with specific protection; or individual travel components (a shopping basket should not automatically be considered a package).

We believe it is **important to mirror the level of consumer protection between the PTD and Air Passenger Rights Regulation**. Indeed, any changes should focus on addressing the divergences between rules applicable to packages and standalone services, which make it difficult for consumers to understand which rules apply when.

Finally, **liability rules should also remain the same for both online and offline bookings**. Applying different rules depending on whether the booking is made online or offline would be discriminatory and lead to further confusion for consumers.

### **3.2. The current definition of Click-through packages is redundant and should be deleted from any future proposal.**

Click-through packages are a redundant category of package that is not well used by traders or understood by consumers, and therefore can cause confusion to the customer as to whether they are booking a package or not. This is also due to their similarity to an LTA between two separate traders. It is however important that any repeal of click-through packages comes with clear provisions as to the treatment of bookings previously considered as such.

### **3.3. The current rules on linked travel arrangements are not fit for purpose and must be modified appropriately.**

The concept of **linked travel arrangement** (“LTA”) is considered very unclear by most stakeholders as acknowledged in the evaluation report of the Commission<sup>15</sup>. eu travel tech fully shares this assessment, although it has attempted to offer clarification to its members (see [industry guidance](#)). LTAs are likely to confuse and mislead consumers and can have the effect of diluting the messaging around package holiday protections. As an example, in the vast majority of cases, OTAs and metasearch engines are legally obliged to provide lengthy mandatory standard information disclosures to consumers on insolvency protection, as set out under Annex II of the PTD, despite in those cases not having a legal obligation to take out insolvency insurance or the means to do so because they are not

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<sup>15</sup> “Consumer and business stakeholders consider the LTA definition overly complex and difficult to apply in practice”. [Report on the application of Directive \(EU\) 2015/2302 of the European Parliament and of the Council on package travel and linked travel arrangements](#), page 5

taking customer funds.<sup>16</sup> This messaging may mislead consumers into thinking they have some level of protection when they do not.

There are currently a whole range of issues associated with LTAs and as currently constituted such concepts are unworkable. However, it is important to differentiate between the two types of LTAs regulated in the PTD:

- **The LTAs referred to in Article 3(5)(a)<sup>17</sup> can add benefits to consumers if properly reviewed.** In the future, concepts such as ‘a single visit or contact’ need to be well defined and clarified to exclude situations where a consumer merely navigates through a website using tabs in order to make additional purchases.
- **However, LTAs as defined by Article 3 (5)(b)<sup>18</sup> result in a number of challenges** impacting directly the consumers, such as:
  - The concept of ‘facilitation in a targeted manner’ is difficult for businesses and enforcement authorities to understand, resulting in different interpretations of the rules and likely piecemeal compliance by traders.
  - LTA facilitators face considerable administrative burden in terms of data requirements and risk the disclosure of commercially sensitive information to competing traders, in order to ensure that LTAs are properly recorded.
  - The difficulty to determine whether an LTA has been formed or not makes it impossible for enforcement authorities to actually enforce the provisions of the Directive in this regard

**For this reason, eu travel tech believes that Article 3(5)(b) should be deleted from any future legislative proposal.** In addition, it should also be clarified that bookings which are currently deemed as LTAs as defined in article Article 3 (5)(b) should, instead, be treated as single travel sales as this would provide a clearer distinction for customers between package bookings with associated protections and non-package bookings. A transitional period for existing LTA bookings to be carried out should also be foreseen.

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<sup>16</sup> An OTA selling an LTA has to provide insolvency protection only if it receives direct payment(s) from the traveller for one or more of the travel services forming part of the LTA.

<sup>17</sup> Article 3(5)(a) of the PTD refers to a ‘linked travel arrangement’ (LTA) where traveller books different types of travel services on the occasion of a single visit or contact with a point of sale but selects and pays for the services separately.

<sup>18</sup> Article 3(5)(b) of the PTD refers to a ‘linked travel arrangement’ (LTA) where, after the traveller booked a travel service with one trader, that trader (e.g. a carrier) facilitates in a targeted manner the booking of at least one additional travel service from another trader, and if an additional booking occurs within 24 hours after the confirmation of the first booking. In contrast to Article 3(5)(a) PTD, bookings are made at two or more points of sale (e.g. websites)

## About eu travel tech

[eu travel tech](#) represents the interests of travel technology companies. eu travel tech uses its position at the centre of the travel and tourism sector to promote a consumer-driven, innovative and competitive industry that is transparent and sustainable. Our membership<sup>19</sup> spans Global Distribution Systems (GDSs), Online Travel Agencies (OTA), Travel Management Companies in business travel (TMCs) and metasearch sites.

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<sup>19</sup> eu travel tech's members include Amadeus, Booking.com, eDreams Odigeo, Expedia Group, Skyscanner and Travelport. Associate members include American Express GBT, etravelli, Trainline and Tripadvisor. Strategic Partners include Travix, Travelgenio and CWT.