

Commissioner Didier Reynders
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for Justice and Consumers
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European Commission Directorate-General
for Mobility and Transport
Rue de la Loi 200
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Subject: Call on Commission to Ensure the Revised Package Travel Directive and the Upcoming EU Passenger Rights Framework Work for European Consumers and Businesses

Dear Commissioner Reynders and Commissioner Vălean,

We, the representatives of the travel technology companies and of tour operators and suppliers in European destinations, are writing to express our concerns and recommendations regarding the plans around the review of the Package Travel Directive (PTD) and the new passenger rights framework.

We understand that the above-mentioned proposals are nearing adoption, and we stress that the decisions made on these matters will have far-reaching consequences for European consumers and the travel industry. The COVID-19 pandemic exposed critical flaws in the existing framework, resulting in considerable consumer and commercial damage. It is imperative that these proposals be futureproof to shield consumers and businesses from the problems faced during the pandemic.

Failing to address the following points will render the new legislation a missed opportunity and perpetuate the vulnerability of consumers and package travel organizers:

1. The Liability Gap between the PTD and Passenger Rights Rules

The existing liability gap between the PTD and Regulation 261/2004 on Air Passenger Rights has imposed a significant burden on package travel organizers, especially during prolonged global crises like the COVID-19 pandemic. Under the PTD, passengers can cancel their trip, including any flight ticket booked as a part of the package, free of charge in case of “unavoidable and extraordinary circumstances.” However, such right is not mirrored in Regulation 261/2004, which only imposes an obligation on airlines to reimburse in the event of a flight cancellation by the carrier. In such circumstances, this discrepancy forces organisers to provide an informal credit line to the airline industry.

A comprehensive alignment of refund obligations for organizers and airlines is the only viable solution. Merely adding a business-to-business (B2B) refund right in the PTD will not effectively address this issue, as airlines can exploit this loophole by offering only fully refundable flights in packages. Since the cost difference between refundable and non-refundable flights is significant, this will increase the cost of packages making the purchase of standalone travel products much more price attractive to consumers, despite the lower level of consumer protection attached to such products.

2. Ringfencing of Consumer Funds

Consumer pre-payments should be protected focusing on the real source of risk in the supply chain, namely flights.

The flight component of the package is not only the most substantial cost for consumers but also the segment most susceptible to repayment delays, as evident during the COVID-19 pandemic when airlines suspended automatic refunds and prolonged repayment periods.

It is urgent that the European Commission takes into serious consideration policy measures aimed at ringfencing payments related to the flight component of the package in escrow to protect customer funds. This approach would offer both consumer protection and financing options for airlines, enabling them to borrow funds at reasonable rates against the escrowed amounts, through channels such as the IATA BSP. This solution would also avoid placing unnecessary burden on organisers, on which disproportionate obligations vis-à-vis the ones imposed on the airlines should have never been imposed in the first place.

3. Legal Status of Negative Travel Advice

The concept of "unavoidable and extraordinary circumstances" in Article 12(2) of the PTD lacks clarity regarding the triggers for cancellation and refund rights. In particular, the interpretation of negative government travel advice remains ambiguous, leading to conflicts between travel advice issued by authorities at the point of departure, authorities at the point of destination, and even within government authorities of countries.

We urge that any new legislation clarifies the circumstances under which negative government travel advice should trigger refund rights for travellers. Defining which government travel advice should be considered definitive in such situations will promote consistency, transparency, and confidence for both travellers and the travel industry.

The European travel and tourism industry stands at a critical juncture, demanding swift and decisive action. Addressing these critical points in the revised PTD and the new passenger rights framework will be pivotal in restoring consumer trust and promoting industry resilience. By ensuring alignment in refund obligations in case of unavoidable and extraordinary circumstances, ringfencing consumer funds, and clarifying the legal status of negative travel advice, we can provide a secure and transparent environment for travellers and industry stakeholders alike. We ask you to prioritize these matters and address the pressing issues highlighted in this letter.

About eu travel tech

Formerly known as European Technology and Travel Services Association (ETTSA), [eu travel tech](#) was established in 2009 as a dedicated organization to represent and promote the interests of travel technology companies in the EU. We work collaboratively with industry stakeholders and policymakers towards the common goal of fostering a consumer-driven, innovative, and competitive travel and tourism industry that embraces digitization, transparency, and sustainability.

About ETOA

[ETOA](#) is the trade association for tour operators and suppliers in European destinations, from global brands to local independent businesses. The membership includes tour and online operators, intermediaries and wholesalers, European tourist boards, hotels, attractions, technology companies and other tourism and business service providers.