

EU Council backs new EU rules giving more protection to over 120 million holidaymakers

Brussels, 28 May 2015

Today, Ministers in the Competitiveness Council reached a political agreement on new rules that will bring protection for package holidays up to speed with the digital age.

Věra Jourová, Commissioner for Justice, Consumers and Gender Equality said: "If you plan your holidays you should not have to worry about insufficient legal protection. This is why new EU rules will soon cover over 120 million holidaymakers who book combined travel online: adapting the EU rules on package travel to the digital age. Travellers will clearly know what they are buying and what their rights are, especially if something goes wrong during their holidays. These new rules also support the travel industry that will benefit from less administrative burden and much-needed legal clarity."

The rules will extend protection of the 1990 [EU Package Travel Directive](#) to cover not only traditional package holidays, but also give clear protection to 120 million consumers who book other forms of combined travel, e.g. a self-chosen combination on a website of a flight plus hotel or car rental. There will always be protection where travel services are advertised as a package or where they are offered at a total or inclusive price.

Less administrative burden, easier cross-border transactions and legal certainty will at the same time benefit businesses.

In addition to existing rights being given to more consumers, travellers will also benefit from reinforced rights:

- Clearer information: traders have to provide travellers with understandable information on the package and the protection they benefit from under package holiday rules, including on prices and potential additional charges.
- Fairer and more predictable prices: if the package organiser wishes to increase the price by more than 8%, the traveller has the right to cancel their holiday free of charge. The trader is also required to pass on price reductions to the consumer.
- Stronger cancellation rights: free cancellation before departure in case of natural disasters, war, or other serious situations at the destination. Package travellers will also be able to cancel their holiday for any reason by paying a reasonable cancellation fee.
- Clear identification of the liable party — who has to deal with the problem if something goes wrong. This will be the organiser of the package in all EU Member States. Member States may in addition make the retailer liable.
- Clear liability for booking errors: traders will be made explicitly liable for booking errors in relation to packages and linked travel arrangements.
- Clarification on essential consumer rights: the organiser is required to assist travellers in difficulty, for example with information on health services and consular assistance, and helping to arrange alternative travel plans. For example, travellers will be entitled to additional accommodation for three nights if the return journey cannot be carried out on time in case of a natural disaster, unless the relevant passenger rights regulation provides for a longer period.
- Guarantees of money-back and repatriation: if the package organiser goes bankrupt, these guarantees will be extended to linked travel arrangements. Facilitators of such arrangements, such as airlines, will be obliged to take out insolvency protection, guaranteeing refunds and repatriation in case they go bankrupt.

Businesses will also benefit from modernised rules and less administrative burden, bringing down compliance costs from €11 to €8 per package sold:

- A level playing field: the same rules will apply for businesses across the EU selling competing travel products.
- Easier cross-border transactions: thanks to common rules on information requirements, liability and other obligations.
- Mutual recognition of insolvency protection: companies will no longer have to subscribe to 28 insolvency protection schemes, since insolvency schemes would be recognised across the EU.
- Business trips arranged by business travel management companies will no longer be included under the rules: this avoids overregulation, while ensuring that small and micro-businesses making travel arrangements in the same way as consumers will be protected.
- Modernised information requirements no longer based exclusively on travel brochures: the fact that traders will not have to reprint brochures is expected to save traders €390 million per year.

Next steps

The European Parliament will vote in Plenary in June to endorse the agreement between the EU institutions. The Council of the European Union will then also give its formal approval of the agreed text in September or October. Following publication in the EU's Official Journal in the autumn, Member States will have two years to implement the new rules and traders a further period of 6 months to adapt to the new rules.

Background

The Commission made the proposal in July 2013 ([IP/13/663](#)), which received the support of the European Parliament in March 2014 ([MEMO/14/184](#)). Ministers in the Council reached a General Approach in December 2014.

The proposed legislation will apply to 3 different sorts of travel combinations:

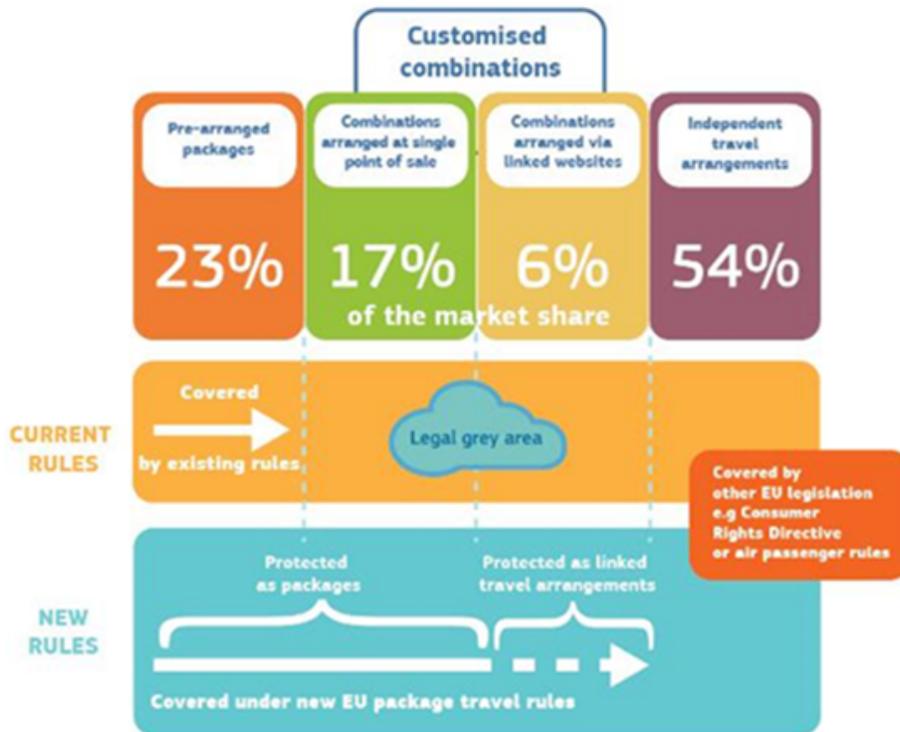
- pre-arranged packages - ready-made holidays from a tour operator made up of at least 2 elements: transport, accommodation or other services, e.g. car rental;

- customised packages - selection of components by the traveller and bought from a single business online or offline;
- linked travel arrangements - If the consumer, after having booked one travel service on one website, is invited to book another service through a targeted link or similar, the new rules offer some protection- provided that the second booking is made within 24 hours.

How will it work in practice? [See here](#)

Annex

Annex 1: Extension of the 1990 Package Travel rules scope



Annex 2: Distinction between combined travel arrangements, pre-arranged packages and linked travel arrangements (all covered by the new Directive)

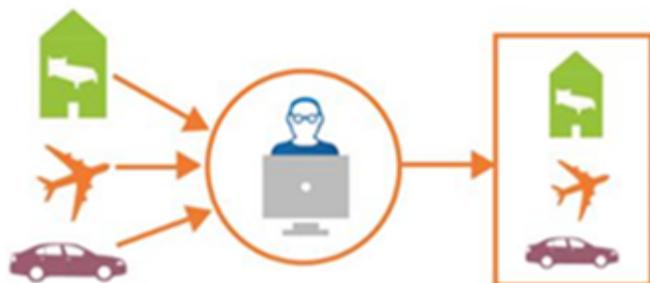
Tour operator



Pre-arranged packages:

Pre-packaged arrangements by tour operators

Little flexibility for consumers as to the dates and prices; multiple choices but limited ability to customise



Customised packages:

Packaging is done with the customer in real-time on the basis of available components, offering an enhanced possibility for the consumer to customise.

Linked travel arrangements:

A consumer, having booked one travel service on one website, is then invited to book another service through a targeted link or similar and books such a service within 24 hours.



If the traveller's name, e-mail address and payment details are transmitted from the first website to the second, then the arrangement is not considered a linked arrangement, but rather a package, as in the second example.