

Teletext Holidays could face legal action over package holiday refunds

The CMA will take Teletext Holidays to court unless the firm takes urgent action to improve how it handles refunds to package holiday customers.

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- Over £7 million in refunds secured so far but many customers remain unpaid

On 26 May 2021, the Competition and Markets Authority (CMA) announced that Truly Holdings Ltd, the company that operates Teletext Holidays, and its sister company, the travel operator Alpharooms.com, signed undertakings committing to address failures to refund package holiday customers for holidays cancelled during the pandemic.

These undertakings required Truly Holdings to use all reasonable endeavours to pay outstanding refunds to passengers at the latest by the end of August, and going forward to ensure that refunds due for package holidays cancelled after the date of the undertakings are paid promptly and no later than 14 days after cancellation.

After reviewing Truly Holdings's final report on progress with repayments, the CMA is concerned that some customers whose package holidays were cancelled since it signed up to the undertakings have not been repaid within the 14 days required by the law. Although Truly Holdings has paid back a significant number of customers within this 2-week period, too many have been left waiting longer for the refunds due to them.

The CMA is also concerned that Truly Holdings has not done enough to repay customers who were already owed refunds at the time the undertakings were given.

As a result of the CMA's action, Truly Holdings has paid £7.2 million of the £7.8 million owed to package holiday customers, but almost £600,000 in refunds remains outstanding. Truly Holdings has reported that the outstanding amount is owed to customers whose current bank details it does not have and whom it has been unable to refund through their original payment method because the purchases were made more than a year ago.

The CMA does not consider that enough has been done to ensure that Truly Holdings is able to provide refunds to package holiday customers with

outstanding claims. In addition, the CMA does not consider that Truly Holdings has done enough to make sure that it pays all refunds that may in future become due within 14 days, as required by law.

The CMA has therefore written to notify Truly Holdings that it will take court action unless the firm takes immediate steps to rectify the situation and to ensure that, in the future, customers who are entitled to a refund are repaid in the timeframe specified by law.

Andrea Coscelli, Chief Executive of the CMA, said:

It is unacceptable that some package holiday customers are still not receiving refunds within the timeframe that they are legally entitled to.

While we are pleased that many consumers have now received the refunds they were due because of our intervention, we are clear that Truly Holdings must comply with the law. Unless it urgently takes steps to address the failures we have identified, we will take court action.

Although the CMA does not currently have powers to impose fines for this, this is the kind of issue that could be resolved at pace and met with fines if the CMA receives the consumer powers that the Government is currently consulting on.

Read more on our [COVID-19 cancellations: package holidays casepage](#).

1. Teletext Holidays is the trading name of Truly Travel Limited, which is a subsidiary of Truly Holdings Limited. Truly Travel Limited and Alpha Holidays Limited (which trades as Alpharooms.com) are both subsidiaries of Truly Holdings Limited.
2. It should not be assumed at this stage that Truly Holdings Limited has breached the law. Ultimately, only a court can decide whether a breach has occurred.
3. Truly Holdings Ltd agreed to a schedule of repayments, where it would use all reasonable endeavours to ensure customers who are still owed cash refunds for package holiday bookings cancelled due to the COVID-19 pandemic on or before 31 July 2020 would be refunded by 30 June 2021; customers with bookings cancelled between 1 August 2020 and 31 October 2020 would be refunded by 31 July 2021; and customers with bookings cancelled between 1 November 2020 and 24 May 2021 (inclusive) would be refunded by 31 August 2021.
4. An undertaking is a voluntary agreement a firm makes to address an enforcement authority's concerns and resolve an investigation.
5. Truly Holdings reported to the CMA that it was unable to refund certain customers via their original method of payment. This is because its payment system does not allow refunds to the original payment method for payments that were made more than twelve months ago. People owed refunds for their cancelled package holiday should go to the dedicated COVID

refund pages on the Teletext or Alpharoom.com's website to ensure the businesses have up to date details.

6. Truly Holdings has reported that it has attempted to get in touch with the people affected to obtain updated details so it can issue these refunds, but it has been unable to contact many of the customers.
7. The CMA's investigation relates to package travel holidays booked with Teletext Holidays and Alpharooms.com, not flights or accommodation booked on a standalone basis.
8. Where package holidays are cancelled and consumers are entitled to a full refund under the Package Travel Regulations, those refunds must be provided within 14 days of the cancellation.
9. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.

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