

CMA launches court action against Teletext Holidays

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, had signed undertakings committing to refund package holiday customers for holidays cancelled during the pandemic.

After reviewing Truly Holdings's final report on progress with repayments, the CMA wrote to Truly Holdings on 16 September stating it would take the company to court unless it took urgent action to improve how it handles refunds to package holiday customers.

The CMA does not consider that Truly Holdings has done enough to provide refunds to package holiday customers with outstanding claims, including recent cancellations, or to make sure that it pays all future refunds that are due within the 14 days required by law.

The CMA has therefore filed proceedings requesting a court order that outstanding refunds be immediately repaid and that, going forward, customers who are entitled to a refund are repaid within 14 days. The CMA will also be asking the court to order that Truly Holdings puts in place appropriate processes to ensure it complies with the law in the future.

As the CMA considers that Truly Holdings is in breach of the law and that harm to consumers is ongoing, it is seeking that the claim be expedited, so that the case can be heard more quickly. However, it is for the court to determine a date for the hearing.

Andrea Coscelli, Chief Executive of the CMA, said:

Companies must abide by consumer protection law and treat their customers fairly.

After engaging with Teletext Holidays extensively, we are now requesting a court order to make sure that the company immediately pays back the money it still owes to customers and refunds people within 14 days, going forward.

As a result of the CMA's action to date, Truly Holdings has so far paid over £7 million owed to package holiday customers.

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. Truly Holdings Limited agreed to a schedule of repayments, where it would use all reasonable endeavours to ensure customers 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.
3. An undertaking is a voluntary agreement a firm makes to address an enforcement authority's concerns and resolve an investigation.
4. 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.
5. 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.
6. Media queries should be directed to: press@cma.gov.uk or 020 3738 6460.