

# CMA warns package travel firms over refunds ahead of summer trips

Press release

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The Competition and Markets Authority (CMA) has published [a further open letter](#) to the sector and has also sent it directly to the 100 package travel firms with the most complaints about them. The letter reminds the firms of their legal obligations and of the need to ensure refund options are clear and accessible.

As a result of CMA action, TUI UK has now [given a formal commitment – known as ‘undertakings’](#) – to provide clearer information on refunds upfront to customers whose holidays have been cancelled due to coronavirus (COVID-19). The company had already taken steps to meet concerns raised by the CMA, by improving the information it provides to customers and making it easier for people to get their money back.

Since March 2020, the CMA has received over 23,000 complaints from consumers about refund issues relating to package holidays that could not go ahead due to the pandemic. In acknowledgement of this, today’s letter to the package travel sector sets out what businesses should provide and what customers can expect, including:

- holidays cancelled by package holiday companies must be refunded within 14 days under the Package Travel Regulations (PTRs).
- any offer of a refund credit note must be accompanied by the option of a full refund. Customers should be able to exchange their credit note for a refund at any time.
- people have a right to a full refund where they decide to cancel their package because unavoidable and extraordinary circumstances at the

destination significantly affect the holiday they have booked or their travel there.

- if the FCDO (Foreign, Commonwealth and Development Office) is advising against travel to the package holiday destination when the consumer is due to leave, that is, in the CMA's view, strong evidence that these unavoidable and extraordinary circumstances are likely to apply. If the consumer is refused a full refund, the package holiday company should fully explain why it disagrees that the holiday or travel is significantly affected.

Andrea Coscelli, Chief Executive of the CMA, said:

International travel is set to resume soon and lots of people will be considering a long-awaited trip abroad. With that in mind, we want to make sure people are fully aware of their refund rights, so they can make informed choices about booking a holiday.

We've secured millions in refunds for people who couldn't go on their hard-earned trips over the past year and now we're calling on package holiday companies to make the refund process less hassle in the future. We expect all firms to give clear cancellation options and will consider appropriate steps if we see companies breaking the law by refusing or delaying refunds this summer.

Today's letter and the commitments from TUI follow action the CMA has already [taken against 5 major package travel companies](#), which have provided more than £200 million in refunds for customers.

Further information on this case can be found on the [COVID-19 cancellations: package holidays web page](#).

1. The CMA has taken significant action in relation to [Teletext](#) and secured refund commitments from [LoveHolidays](#), [Lastminute.com](#), [Virgin Holidays](#), and [TUI UK](#).
2. The CMA also published an open letter to package holiday companies last summer: [CMA open letter to all package holiday businesses](#)
3. The key pieces of consumer protection legislation relevant to the CMA's work are the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) and the Package Travel and Linked Travel Arrangements Regulations 2018 (the PTRs). The CPRs prohibit unfair commercial practices by businesses towards consumers and the PTRs provide consumers with certain rights specifically in relation to package travel.
4. Under Regulation 12(7) and (8) of the PTRs, a traveller has a right to cancel their package holiday and receive a full refund where there are extraordinary and unavoidable circumstances at the package destination or the immediate area, which significantly affect the provision of the package or the transport of passengers there.

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