

COVID-19: Major holiday lets firm offers refunds after CMA action

After the Competition and Markets Authority (CMA) announced that it would be focusing on the holiday accommodation sector as part of an investigation into cancellations and refunds, Vacation Rentals voluntarily changed its policy after originally failing to offer refunds to all customers whose trips were cancelled. It has now given the CMA a formal commitment that customers will have the option of a full refund if a booking has been cancelled because of restrictions associated with the coronavirus outbreak.

Vacation Rentals, which operates popular accommodation sites including Hoseasons and Cottages.com, is one of a number of companies that have been reported to the CMA's COVID-19 Taskforce, set up to monitor market developments and identify the big problems facing consumers as a result of the pandemic and the lockdown.

Other holiday lets firms, however, have not yet agreed to do the same as Vacation Rentals, and the CMA's investigation is continuing. Common complaints include companies refusing to provide full refunds at all or offering only vouchers instead of cash refunds. The CMA will continue with its inquiries into the holiday accommodation sector, which may ultimately lead to court action against companies which fail to comply.

The CMA's COVID-19 Taskforce has so far received around 4,500 reports about UK holiday rental companies, with complaints about Vacation Rentals making up a significant proportion of those reports.

[Last month, the CMA issued a statement](#) to help consumers understand their rights and to help businesses treat customers fairly. In light of this, and contact from the CMA, Vacation Rentals has committed to:

- offer a full refund to customers who booked holiday homes but could not stay in them due to lockdown restrictions
- communicate its new policy clearly on its website and via social media
- provide the CMA with monthly reports on how many refund offers have been made and accepted

[Holiday accommodation was named as a sector of particular concern](#) when the CMA launched its investigation into cancellations and refunds, along with weddings and private events and nurseries and childcare providers. It has since expanded the scope of its investigation to also include package travel.

Andrea Coscelli, CEO of the CMA, said:

Our COVID-19 Taskforce is working hard to ensure that consumers get what they are entitled to, so it's good news that Vacation Rentals has agreed to offer people the refunds they are due. We welcome this step and other holiday lets firms must now follow suit.

We know the pandemic is presenting businesses with challenges too, but it's not right that people are being left hundreds or even thousands of pounds out of pocket – on top of having to sacrifice their holidays. Consumer protection law exists for a reason; businesses must observe the law or face the possibility of enforcement action.

If people have been affected by unfair cancellation terms in the wake of Covid-19, they can [report them to the CMA using the online form](#).

Whilst the CMA is not able to respond directly to every complaint it receives, the information people provide helps the CMA to decide which issues to address. [Updates on holiday accommodation can be found here](#) and all updates on the CMA's cancellations work can be found on the [COVID-19 response page](#).

Notes to Editors

1. The COVID-19 Taskforce was launched on 20 March to scrutinise market developments, identify harmful sales and pricing practices as they emerge and take enforcement action if there is evidence firms may have breached competition or consumer protection law. [For more information please see our guidance](#).
2. Protecting consumers during the coronavirus (COVID-19) pandemic: [update on the work of the CMA's Taskforce](#).
3. COVID-19: [CMA to investigate cancellation policy concerns](#)
4. Coronavirus (COVID-19): [CMA statement on consumer protection law in relation to cancellations and refunds complaints](#)
5. The key pieces of consumer protection legislation relevant to the CMA's investigation are the Consumer Rights Act 2015 (CRA) and the Consumer Protection from Unfair Trading Regulations 2008 (CPRs). The CRA prohibits the use of unfair terms in contracts between businesses and consumers. The CPRs prohibit unfair commercial practices by businesses towards consumers.
6. Refunds are being offered to Vacation Rentals customers whose bookings were cancelled because it was unlawful for customers to travel or to make use of the accommodation and/or for the accommodation owner to make the holiday accommodation available.
7. For media enquiries, contact the CMA press office on 020 3738 6460 or press@cma.gov.uk.