

LoveHolidays to refund over £18 million for cancelled holidays

The Competition and Markets Authority (CMA) has been investigating LoveHolidays after receiving hundreds of complaints that people were still awaiting refunds.

When customers contacted LoveHolidays to request a refund for a cancelled holiday, they were told they would only receive money back for their flights once the firm had received refunds from the respective airlines.

Under the Package Travel Regulations, online travel agents are legally bound to refund customers for package holidays cancelled due to coronavirus, regardless of whether or not the agent has received money back from suppliers, for example airlines.

Following CMA intervention, LoveHolidays has now signed formal commitments – known as undertakings – that ensure these customers receive all their money back.

In total, over £18 million will be refunded to 44,000 LoveHolidays customers. Of this, so far £7m has been refunded to 20,000 customers.

Having carefully reviewed LoveHolidays' financial information, and how quickly it can realistically repay customers, the CMA has accepted LoveHolidays' commitment to repay these customers in full by March 2021 at the latest. Insisting on earlier repayment would result in LoveHolidays dipping below its regulatory obligations.

In order for customers to receive their money back as quickly as possible, refunds will be made in two parts, for example:

Refunds for the cost of hotel accommodation and transfers:

- by 31 December 2020: customers will receive refunds for holidays cancelled before 1 November 2020
- cancellations from 1 January 2021: customers will receive refunds within 14 days of the holiday being cancelled

Refunds for the cost of flights:

- by 28 February 2021: customers will receive refunds for holidays cancelled before 24 August 2020
- by 31 March 2021: customers will receive refunds for holidays cancelled

between 24 August and 31 October 2020

Further details of the relevant payment dates can be found on the [CMA's package travel webpage](#).

To ensure that LoveHolidays adheres to its commitments, the company must provide the CMA with regular reports on the progress of its repayments.

If the firm fails to repay customers by these dates, the CMA is prepared to take the company to court.

Andrea Coscelli, Chief Executive of the CMA, said:

"Travel agents have a legal responsibility to make prompt refunds to customers whose holidays have been cancelled due to coronavirus.

"Our action today means that LoveHoliday's customers now have certainty over when they will receive their money back and they will receive this without undue delay.

"We are continuing to investigate package travel firms and where we find evidence that businesses are breaching consumer law, we will not hesitate to take enforcement action to protect consumers."

Today's announcement follows significant action by the CMA in relation to holiday cancellations. It has [written to over 100 package holiday firms to remind them of their obligations to comply with consumer protection law](#), and has already secured refund commitments from [Lastminute.com](#), [Virgin Holidays](#), [TUI UK](#), [Sykes Cottages](#) and [Vacation Rentals](#).

In order to help businesses to understand their legal obligations with regard to consumer protection law, the [CMA published a statement on its view of how the law relates to cancellations and refunds due to coronavirus](#).

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