

## Press release – Thomas Cook bankruptcy: Better consumer and employee protection needed



In a resolution adopted on Thursday, MEPs express concern over the 600 000 people left stranded, thousands of job losses, difficulties for SMEs and damage to the tourism sector.

Governments should use the European Social Fund and Globalisation Adjustment Fund to help workers made redundant and companies damaged by the travel group's collapse, and the Commission should identify EU instruments that could compensate for the harm caused to the sector, MEPs say.

The Commission and member states should ensure that workers affected by insolvency are guaranteed their earned wages and retirement benefits, they add.

### **Improving response to future crises**

MEPs point out that 32 airlines have gone bankrupt since 2017 and want the Commission to assess if new measures are needed to prevent such situations.

The reasons that led to Thomas Cook going bankrupt should be studied, MEPs say, pointing out that its financial situation was already known to the British authorities, and rules could be changed to better monitor the financial situation of airlines.

As a last resort, state aid could be considered to ease the negative economic impact, they add.

### **Better consumer and employee protection**

To boost consumer protection in cases of business failure, airline guarantee funds or insurance contracts should be included in the EU's passenger rights rules, which are currently under revision and awaiting member states to conclude their position.

MEPs also want the Commission to table a proposal on the rights of workers to receive information and be involved in consultation, and on anticipating and managing restructuring in line with Parliament's [resolution](#) adopted in January 2013.

### **An EU tourism strategy**

Finally, MEPs stress that the tourism sector, which suffered serious damage due to Thomas Cook's collapse, generates more than 10 percent of total EU GDP and acts as a stimulus to other sectors.

It should therefore be included in the Commission's priorities and have a budget line in the next EU budget.