Teletext faces court action unless it pays over £7m in refunds

On 4 February, the Competition and Markets Authority (CMA) announced that it was opening an investigation into Teletext Holidays after receiving hundreds of complaints. These showed that people were not receiving refunds they were owed within 14 days, as required by law, for package holidays cancelled by the company due to pandemic restrictions.

The CMA wrote to Truly Holdings Ltd., the company that operates Teletext Holidays and also AlphaRooms.com, in March, setting out in detail its concerns and giving the company an opportunity to address them. The CMA told the firm it could avoid any potential court action by signing formal commitments — known as 'undertakings' — to refund affected consumers and ensure compliance with the Package Travel Regulations going forward.

However, Teletext has not agreed to provide undertakings that are sufficient to address the CMA's concerns.

The CMA has now informed Teletext Holidays that it is preparing to take court action and will launch proceedings if it does not repay the outstanding refunds, or commit to do so, without unnecessary delay.

Andrea Coscelli, Chief Executive of the CMA, said:

There must be no more delays to Teletext refunding customers for holidays they could not take because of the pandemic. It is unacceptable that many have already waited months for the refunds they are legally entitled to.

We take very seriously the ongoing failure of Teletext Holidays to meet its obligations. The firm must now comply with the law and commit to refunding its customers. If it does not do so, we will not hesitate to pursue this case in court.

Today's announcement follows significant action by the CMA in relation to holiday cancellations during the coronavirus pandemic. The CMA has <u>written to over 100 package holiday firms to remind them of their obligations to comply with consumer protection law</u>, and has already secured refund commitments from <u>LoveHolidays</u>, <u>Lastminute.com</u>, <u>Virgin Holidays</u>, and <u>TUI UK</u>.

Further information on this case can be found on the <u>COVID-19 cancellations:</u> package holidays web page.

Notes to editors

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 (Alpharooms.com) are both subsidiaries of Truly Holdings Limited. For convenience, references to Teletext and Teletext Holidays are references to Truly Holdings Limited.
- 2. The CMA sent a letter before claim to Truly Holdings Limited on 30 April 2021. This outlined that the CMA intends to apply to the court for an order under section 217 of the Enterprise Act 2002 requiring the company to comply with its obligations under the Package Travel and Linked Travel Arrangements Regulations 2018.
- 3. The CMA's investigation relates to package travel holidays booked with Teletext Holidays, not flights or accommodation booked on a standalone basis.
- 4. 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.