

# THE EU PROPOSAL FOR A NEW TRAVEL LAW



The European Union (EU) Commission is introducing a new package travel directive that benefits consumers but may not be suitable for tour operators. This has raised concerns among tour operators, whose needs and mechanisms have been mainly ignored. The proposed travel law has caused a stir in Brussels in recent months, as the requirements for tour operators are increasing.

The EU Commission has put forth a set of proposals, keeping in mind the losses incurred due to the COVID-19 crisis and the bankruptcy of Thomas Cook in 2019. The following are the key points of these proposals:

**Passenger reimbursement rules for flights and multimodal travel through intermediaries will be clarified to provide better protection against cancellations.** The new rules will also guarantee seamless travel experiences, especially when traveling on multiple modes of transportation, by providing passengers with direct support and real-time information on delays and cancellations.

Carriers and terminal operators at connecting points will support travelers with reduced mobility who switch between modes of transport under a single contract or via multimodal hubs.

Refunds involve a process that includes service providers, package tour operators, and travelers. Despite this, travelers are still entitled to a refund within 14 days. This process is facilitated by package tour operators, primarily small and medium-sized businesses (SMEs), who have the right to be reimbursed by service providers within seven days.

Travelers must pay a deposit no higher than 25% of the package price, unless the tour operator's costs justify a higher deposit.

Before accepting, travelers will receive clear information about requesting a refund and the voucher's features.

Travelers will be informed clearly whether their travel services constitute a package, making them liable for any issues, and about their rights as package travelers.

The recently proposed EU package travel directive aims to strengthen consumer rights, but it largely ignores the needs and challenges faced by tour operators in the industry. Tour operators depend on early payments to secure hotel reservations and partnerships and to sustain themselves during the off-season.

However, the directive's strict repayment deadlines for refunds could cause difficulties for organizers. Additionally, the limit of 25% for maximum deposit and the more stringent rules around vouchers could pose challenges for tour operators. **In the future, travelers should be informed that they can insist on a refund before accepting a voucher.** Any unused vouchers will be automatically refunded once they expire.

In short, according to critics, the new travel law favors online travel agencies (OTAs) and airlines, creating an unfair competitive advantage. This could lead to a distortion of competition that will

ultimately affect the travel industry.

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