

Package travel and linked travel arrangements

2013/0246(COD) - 09/07/2013 - Legislative proposal

PURPOSE: to enhance the functioning of the Internal Market and achieve a high level of consumer protection through the approximation of Member States legislative, regulatory and administrative rules on packages and other combinations of travel services.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: tourism plays a central role in Europe's economy today. With some 1.8 million businesses, mostly SMEs, employing 5.2% of the total workforce, the European tourism industry is an engine for growth in the EU. The total contribution of European travel & tourism, including related sectors, accounts for around 10% of EU GDP.

The travel market has evolved since the adoption of Directive 90/314/EEC. The Internet has become an increasingly important medium to offer travel services. Travel services are not only combined in the form of traditional pre-arranged packages, but are often combined in a customised fashion. Many of these travel products are either in a legal grey zone or are clearly not covered by Directive 90/314/EEC.

It is therefore necessary to adapt the legislative framework to market developments, remove ambiguities and close legislative gaps. The modernisation of Directive 90/314/EEC responds to requests from the co-legislators and a large part of the industry and consumer organisations. A revision of the Directive is explicitly mentioned in the [European Citizens' Report](#), the [European Consumer Agenda](#) and in the [Single Market Act II](#).

IMPACT ASSESSMENT: the Impact Assessment (IA) analysed eight policy options plus certain sub-options, including maintaining the status quo, the drawing up of guidelines, the introduction of a package travel label, self-regulation by the industry, various options to modernise the Directive, as well as the adoption of a Travel Directive.

The chosen option is that of a graduated approach involving the modernisation of the Directive and the coverage of both one trader and multi-trader packages, while applying a lighter regime to multi-trader assisted travel arrangements.

LEGAL BASIS: Article 114 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposed Directive seeks to clarify and modernise the scope of travellers' protection when purchasing combinations of travel services for the same trip or holiday by bringing within its scope different forms of on-line packages and assisted travel arrangements.

The proposal will ensure that travellers are better informed about the services they are buying and grant them clearer remedies if something goes wrong.

Package travel: the proposal:

- lists specific pre-contractual information which organisers and, where applicable, retailers have to provide to travellers wishing to buy a package;
- contains provisions on the content and the presentation of the contract or its confirmation, as well as on documents and information to be provided before the start of the package;
- regulates the possibility and the consequence of price changes;
- contains additional termination rights for travellers before the start of the package and grants travellers the right to terminate the contract without compensation in the event of unavoidable and extraordinary circumstances;
- regulates the organiser's liability for the performance of the package and the obligation to provide assistance to the traveller; only the organiser is liable for the performance of the package; retailers involved in the booking of packages and assisted travel arrangements are liable for booking errors;
- provides for the remedies available to the traveller in the event of the lack of performance and the improper performance of the services;
- lays down the obligations to remedy the lack of conformity and to make suitable alternative arrangements for the continuation of the package where a significant proportion of the services cannot be provided as agreed in the contract. Where it is impossible to ensure the traveller's timely return because of unavoidable and extraordinary circumstances, the organiser's obligation to bear the cost for the continued stay is limited to EUR 100 per night and three nights per traveller;
- provides that only package organisers and retailers who facilitate the purchase of 'assisted travel arrangements' are subject to the obligation to provide insolvency protection;
- provides that travellers may address messages, complaints or claims also to the retailer.

Assisted travel arrangement: these are defined as a combination of at least two different types of travel services for the purpose of the same trip or holiday, not constituting a package, resulting in the conclusion of separate contracts with the individual travel service providers.

Retailers offering assisted travel arrangements would have to explain to travellers in a clear and prominent manner that only the relevant service providers are liable for performance of the services and that travellers will not benefit from any of the Union rights granted to package travellers, except the right to a refund of pre-payments and, where relevant, to repatriation in case the retailer itself or any of the service providers becomes insolvent.

BUDGETARY IMPLICATIONS: the only operational costs relate to the preparation of the report on the application of this Directive, covering the preparatory work of an external contractor, i.e. operational appropriation of EUR 0.2 million under the Rights and Citizenship programme, as well as administrative expenditure of around EUR 0.184 million during seven years after the adoption of the Directive.