

Package Travel Directive

- Overview of the Council Directive 90/314/EEC of 13 June 1990
- Changing Environment in the Travel Sector
- Revising the Package travel directive

Package Travel Directive

Purpose of directive:

to approximate the laws, regulations and administrative provisions of the Member states relating to packages sold or offered in the territory of the Community

Package Travel Directive

Package is defined as:

The pre-arranged combination of no fewer than two of the following when sold or offered for sale at an inclusive price and when the service covers a period of more than 24 hours or includes overnight accommodation

Transport

Accommodation

Other tourist services

Package Travel Directive

The Directive regulates the liability of package organisers and retailers who must accept responsibility for the performance of the services offered.

Package Travel Directive

- Organiser is defined as the person who, other than occasionally, organises packages and sells or offers them for sale whether directly or through a retailer.
- A retailer is defined as the person who sells or offers for sale the package put together by the organiser

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- Misleading information
- Any descriptive matter supplied by the organiser or retailer concerning a package and any other conditions of the contract must not contain any misleading information.

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- Information to be provided
- The organiser and/or the retailer shall provide the consumer, in writing or any other appropriate form, with relevant information.

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Significant changes to the package prior to departure:

Consumer to be informed as quickly as possible.

Consumer can either withdraw without penalty.

Agree to changes.

Consumer to inform organiser of his decision.

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Organizer cancels package before departure

Consumer is entitled to

- Take a substitute package
- Reimbursed all money paid

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Where a significant proportion of the services contracted are not provided

- The organizer shall make suitable alternative arrangements
- Compensate the consumer for the difference between the services offered and those supplied
- Provide transport back to the place of departure if arrangements not accepted by consumer for a good reason.

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- The organizer and/or the retailer party to the contract is liable to the consumer for the proper performance of the obligations arising from the contract.

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The organizer and/or the retailer party to the contract shall provide sufficient evidence of security for the refund of money paid over and for the repatriation of the consumer in the event of insolvency.

Package Travel Directive

- In view of the changes in the travel sector a working document is being proposed by the European Commission aiming at setting out the main regulatory problems posed by the regulation of package travel and consult industry stakeholders, consumers' organisations and Member States on issues related to the Directive.
- Is the Directive adequate to ensure protection of consumers and a level playing field in today's holiday market?
- What needs to be changed?

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Main Regulatory Issues at stake -

The Changing travel sector:

- Development of the internet enabling direct reservations
- Entry of low cost air carriers
- The cruise industry
- Dynamic packaging – putting together own holiday components from different organizers

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Definitions - 1

Package refers to:

- pre-arranged or combination of services put together at the moment of the contract by retailers
- Internet platforms which spontaneously combine on the specific request of the customer tourist services like flights, hotel accommodation, offered by different service providers
- Should *Dynamic Packages* be covered under this definition?
- Should special package holiday cases such as *Cruises* be included?

Questions

Working Document

1. Is the current scope of the Directive adequate to ensure protection for consumers and a level playing field in today's holiday market?
2. Do any of the definitions or notions used in the Directive cause problems? If so please describe them.

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Definitions – 2

- Organizer – should organizers who “occasionally” put together a package be included due to the rise in one off packages organized for specific activities e.g. sports , religious activity etc.

Questions

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3. Have you encountered problems with the definition of organisers or retailers and their respective obligations under the Directive, for instance concerning organisers who occasionally put together packages? If so, please describe them

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Definitions – 3

- Consumer – the notion of consumer is not limited to natural persons travelling for leisure purposes, but includes every person, natural or legal, taking a package.

Should persons making use of a package due to business/trade/profession be excluded from the definition of consumer as adopted in this directive to be in line with the Green Paper on the review of the Acquis?

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What information is to be on the brochure
and what information is to be on the web
site?

To consider

Cost of printing

Changes in costs e.g. fuel

Any claims by consumers

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- What are essential terms?
- For a consumer price may not be the only essential term. Other issues like accommodation offered, travel time or tourist services available at destination may be also be very relevant.

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Liability of organizer/retailer

- Who should be held responsible, the organizer or the retailer, or both?
- Should moral damages be included?

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- Complaints
- When dealing with complaints, the interpretation of “prompt efforts” and “appropriate solutions” needs to be clarified.

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Security for insolvency

- The term “sufficient evidence of security” is imprecise and interpreted differently by different member states. This may give rise to anti-competitive situations.
- A solution could be the introduction of a uniform system across the EU.

Questions

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- What information requirements, such as classifications of the hotel or the passport or visa requirements, need to be separately regulated to respect the specifics of package travel?

- Thank you
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