Mr Chairman, Ladies & Gentlemen.

Despite all the odds, I would like to begin by thanking the Commission for their kind invitation to this event and for the helpful and constructive Policy Document that has been produced.

The events of the Icelandic Volcano eruption brings into sharp focus, the real problems faced by Consumers and Industry, when things go awry!

It demonstrates why in any analysis, the importance of creating fairness and partnership, rather than the harsh words of recent days, which seem centred on costs and commercial pressures, must not dominate the impact of experience; the experience of the Consumers of the Travel Product. Whatever about current events, our job is to build for the future; we must not be thwarted by understandable pressures.

In this presentation, I am going to examine the Options as set out within the Policy document and provide an analysis from the Consumer Perspective; I shall be examining the issues and their potential impact.

(CHANGE SLIDE)

I will begin by examining Options 1, 2 & 4 which as an organisation we reject.

We do so on the basis that they reflect in part, the status quo, but would we believe, introduce further Consumer exclusion, into an already troubled legal environment.

In addition, we do not believe that they will deliver the goals set out within the Lisbon Treaty nor the Charter on Fundamental Rights; the goals of promoting Consumer Protection.

(CHANGE SLIDE)

In considering Option 3 – the Package Travel Label, we have had regard to our current website survey, which indicates that some 86.5% of those surveyed, consider that warning notices in contracts would be useful when they come to make choices on their holiday products.

We have promoted the 'logo' issue in holiday contracts since 2006 through our No10 Petitions; and examples can be seen on the screen.

We consider that such a tool would be useful in promoting Consumer understanding and confidence; it would also be a useful marketing tool for travel companies and we consider that the initial costs would return positive benefits for all.

(CHANGE SLIDE)

However, we take the issue further and say that 'logo's' should be accompanied by 'health warning' notices which would underline the levels of protection within any holiday contract; as you can see, we again offer several suggestions for consideration.

(CHANGE SLIDE)

The principle area for consideration is Option 5; I have created a table which indicates the areas of agreement within the Policy Document and the areas where we consider important points need to be considered.

We are pleased to note that the structure of the current Directive will remain, with clear improvements to a number of key areas.

I shall now briefly deal with some of those areas marked with a question mark and try to import our views on impact.

With regard to the area marked ‘Travel Package’, we consider that the Option on dynamic packages needs to be extended and will examine the proposals at Option 6 in a moment. We must be conscious in any assessment, to avoid the potential for loopholes which would make the Directive ineffective!

We do not agree with the proposals on marketing communication – we question why the new mediums should be exempt?

With regard to last minute bookings, we consider that the proposal makes too many assumptions as to what is actually received by Consumers.

We are disappointed by the insolvency issue within this Option.

We support a pan-European solution; indeed the commentary within the Policy document, points to a conflict between traders and schemes within the EU – uniformity would appear to be the solution!

With the further development of the seamless internal market, the Consumer may be at risk when faced with a myriad of national schemes and any interpretation through translation!

It is right that the levelling of traders rights are addressed, however, it should not be done at the expense of Consumer usability and understanding. I consider that whilst the 'politic' of a pan-European scheme may not be accepted at this time, I feel sure that this will be something that we shall return to again!

Overall our view is that the Option presents a reasonable opportunity for progress toward a workable Directive.

(CHANGE SLIDE)

I am now going to examine the Options at 6, 7 & 8.

As you can see from our survey there is a greater understanding of what constitutes a Package Holiday compared to a Dynamically Packaged Holiday.

What is interesting is that both sets of responders picked more than two components, demonstrating their understanding of how these packages are made up! Can you begin to see how this market is confused?

(CHANGE SLIDE)

To date, we have supplied over 1300 case studies to the various studies; within the recent EU Consultation we decided to ask; is the phenomena of internet holiday sales to Consumers something new?

We purchased 3 pre-1990 UK holiday brochures and compared their content, and terms and conditions with the ‘new’ kids on the block!

We discovered that there was no difference between the terms and conditions of sale or the products being offered.

It is clear that the only difference between then and now, is that the Consumer now deals with a non-paper based medium to make their contract.

There is rarely anything new; just new methods of presentation! Is this an attempt to return Consumers to the so-called ‘golden age of travel’, that time being prior to the arrival of the current Directive?

(CHANGE SLIDE)

This distinction is important, as it cuts to the very heart of Consumer holiday problems today.

We know from the Policy document, that the relationship between the Organiser/Retailer/Agent – will be examined, and consideration will be given to determine the scope, and level of liability for each party, which in turn runs to the Standards Argument.

The issues of these relationships have been well rehearsed and indeed remain unresolved in the UK – one example can be seen on this slide, it illustrates one Consumer in difficulty, within the range of these relationships!

(CHANGE SLIDE)

It must be recognised that confusion results – both for Consumer and Industry!

We must be on guard from those who seek to argue that ‘retailers/agents/hoteliers/suppliers’ should share some of the responsibility with Organisers. It may be a fair point, but Consumer perception is that they make contracts with one entity, not several!

The relationships between the Organisers and suppliers are governed by their own contracts; will it add to the confusion of Consumers if they have to consider multi-defendants?

We must recognise that there is a world of difference between selling Organisers products or creating the conditions for them to be purchased.

Any impact assessment must have regard to the danger that ‘retailers et al’ may become the new ‘agents’ and return us to back to square one!

We must take care to draft a Directive that prevents for a re-interpretation within terms and conditions, and that any ‘division’ of responsibilities do not present confusion or a clear route to redress – a redress that should remain within the Consumers home state.

We were however encouraged to see that 64% of the trade support including ‘click-through’ sales as part of the new dynamic package regime; we think that this is correct and is the safest route to prevent confusion in any new Directive - we support the proposals of Option 6.

(CHANGE SLIDE)

Briefly we would add that Option 7 is supported by us; we have long advocated that standalone airline ticket sales should be included in any insolvency protection environment – this issue is the elephant in the room!

Will it happen? I am not sure that it will in this round; the Commission is faced with a very powerful aviation lobby – as is demonstrated by current events!

Option 8 follows the same principle as standalone tickets; it suggests that the 'ancillary' provision should be extended. Inclusion in any new Directive would in our view ensure a complete regulation of the travel product.

(CHANGE SLIDE)

In concluding, I consider that the proposals present an opportunity of a new partnership between the Consumer and the Travel Industry.

Much has been made in the document about the impact of costs; we consider that Consumers will accept the additional premiums, if there is the return on improved standards and service – we also think that for Industry, the benefit will eventually provide for a diminishing cost impact.

Many Consumers so desperately want to demonstrate their loyalty to the travel product; we should all work to that end, and create the conditions that engender trust, respect, safety and real sustainability in the travel product.

Overall, we consider the proposals are good for the promotion of the internal market, good for EU tourism – but it should be remembered, it's the Consumers that make that market work!

(FINAL SLIDE)