

# Travel Package Directive

## Summary

The EU is the most popular tourist destination globally, attracting approximately two-thirds of international tourists in 2022. Following the Package Travel Directive, which was established in 2015, the Commission is proposing a revision with the main objective of ensuring an enhanced experience for passengers and travellers by strengthening their consumer rights.

The updated legislation aims to incorporate valuable insights gained from recent events, notably the challenges posed by the COVID-19 crisis and the 2019 bankruptcy of travel giant Thomas Cook. The new directive specifically focuses on clarifying reimbursement procedures when flights or multimodal journeys are arranged through intermediaries and providing enhanced protection for passengers in case of cancellations or insolvency of the service providers.

To bring more consistency with the Package Travel Directive, the Commission also proposed changes to the Passenger Rights Directive and the EU multimodal travel information service. The latter ensures smoother multimodal journeys by granting passengers access to direct support and improved real-time information regarding delays and cancellations. The revised regulations also focus on the needs of passengers with disabilities or reduced mobility, aiming to facilitate seamless transitions between transport modes while enhancing tailored assistance where necessary.

## Protection of package travellers

The proposed revisions to the [2015 Package Travel Directive](#) aims to enhance the protection of package travellers, particularly in crisis situations, drawing insights from the recent challenges experienced during pandemics and extreme weather conditions. The amendments seek to establish more robust and transparent rights for travellers while clarifying the obligations and responsibilities of package organizers.

Some of the new rules relate to:

### Refunds

The travel supply chain includes service providers, package organisers and travellers. **Travellers will continue to be entitled to a refund within 14 days.** On the other hand, package organisers, most of whom are small and medium-sized enterprises (SMEs), **will have the right to a refund from service providers (such as airlines) within 7**

**days.** The fact that package organisers are refunded within one week, enables them in turn to refund clients within two weeks from the cancellation date.

## **Downpayments**

**Deposits made by travellers for packages may not be higher than 25% of the package price,** except for when organisers face costs justifying a higher downpayment, for example, because they have to pay the full ticket price to the airline upfront. Organisers may not ask for the total payment earlier than 28 days before the start of the package.

## **Vouchers**

**Travellers who are offered a voucher will receive clear information** that they may insist on a refund and will be informed on the characteristics of the voucher before accepting it. Such vouchers will be refunded automatically if not used before the end of their validity period. Moreover, vouchers and refund rights will be covered by insolvency protection.

## **Transparency**

Travellers will receive clear information on whether a combination of travel services constitutes a package, who is liable if there are problems, and on their rights as package travellers.

## **Insolvency Protection**

The revised directive also focused on clarifying and strengthening the refunding process for travellers in the case of insolvency of the service providers. Travellers are entitled to refunds in cases where their package is not performed fully due to the organiser's insolvency, and also in cases where the traveller was entitled to a voucher prior to the organiser's insolvency. Insolvency protection also covers instances where travellers require emergency repatriation due to the travel organiser's insolvency. Organisers will be expected to secure the refunds of all expenses incurred by the travellers, including vouchers, repatriation, and temporary accommodation, regardless of their place of residence, place of departure, and the place where the package was originally sold.

Organisers are expected to fully reimburse the travellers affected by their insolvency by not later than 3 months from the date of submission of all necessary documentation by the traveller.

The directive states that all Member States will ensure to establish insolvency security by organisers within their respective countries to safeguard travellers. They are

expected to monitor and guarantee the implementation of insolvency protection arrangements for organisers within their territories, and when necessary, request from organisers a second layer of protection, such as a back-up fund.

Organisers not established in a Member State which sell or offer for sale packages in a Member State, or which by any means direct such activities to a Member State, shall be obliged to provide the security in accordance with the law of that Member State.

### **Linked Travel Arrangements**

‘Linked travel’ arrangement’, refers to the separate purchase of travel services for the same trip or holiday, resulting in the conclusion of separate contracts with individual service providers. Linked travel arrangements are typically handled as individual services, yet payments received by a trader facilitating such arrangements are required to be safeguarded in the event of the trader's insolvency.

The objective of Directive (EU) 2015/2302 was to enhance transparency by guaranteeing that retailers provide travellers with information about the nature of the offered travel product and their associated rights. Linked Travel Arrangements have experienced minor adjustments as part of the revised Directive. Firstly, travel operators which invite travellers to book through different types of travel services, shall provide security for all the payment received from travellers. Moreover, if the travel operator is responsible for the traveller's return journey, the the security also shall also cover repatriation.

The trade operator must also provide the travellers with all relevant standard information, as clearly as possible, regardless whether the operator is based within EU territory.

Lastly, in cases of linked travel arrangement, the company responsible for creating the linked travel arrangement must inform the company that invited the traveller to make the booking in the first place.

#### **Links to more information:**

[2023 Proposal to amend the Package Travel Directive | European Commission \(europa.eu\)](#)

[Package travel directive - European Commission \(europa.eu\)](#)

[Making protection of package travellers more effective \(europa.eu\)](#)

**Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.**

**For questions or more detailed information please contact EU Affairs Manager Daniel Debono and Policy Advisor Michele Agius on [infobrussels@mbb.org.mt](mailto:infobrussels@mbb.org.mt)**

*The Malta business bureau is the EU advisory organisation of;*



*and a partner of the Enterprise Europe Network;*

