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trading standards law explained

Package travel and holidays

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In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

Although the United Kingdom left the European Union (EU) in 2021, certain pieces of legislation (known as 'assimilated law') continue to apply until such time as they are replaced by new UK legislation, revoked or permitted to expire. This means that our guidance still contains references to legislation that originated from the EU.

This guidance is for England, Scotland and Wales

Legislation defines various types of package travel and similar arrangements, and outlines the responsibilities and obligations of holiday organisers and retailers with regard to prices and financial security arrangements. It also covers aspects of the package holiday industry relating to contract requirements, surcharges, compensation, etc.

The Package Travel and Linked Travel Arrangements Regulations 2018 (PTRs) relate to package travel arrangements that are 'package travel contracts' or 'linked travel arrangements' provided by holiday organisers and holiday retailers to travelling consumers.

Definitions

The Regulations divide businesses into three types. The three types are not necessarily three different businesses; instead, the divisions relate to different activities that the business engages in as part of the contract.

The Regulations define the three types as follows:

- "'organiser' means:
  (a) a trader who combines and sells, or offers for sale, packages, either directly or through another trader or together with another trader; or
  (b) the trader who transmits the traveller's data to another trader in accordance with ..." the circumstances in which the services would be defined as a 'package'
- "'retailer' means a trader other than the organiser who sells or offers for sale packages combined by an organiser"
- "'trader' means any person who is acting, including through any other person acting in their name or on their behalf, for purposes relating to their trade, business, craft or profession in relation to contracts covered by these Regulations, whether acting in the capacity of organiser, retailer, trader facilitating a linked travel arrangement or as a travel service provider"

Package travel contract

A package travel contract is a combination of at least two types of travel service for the purpose of the same trip or holiday; they must be offered by a holiday organiser or retailer, or selected by the travelling consumer, and meet one or more of the following criteria:

- Combined by one trader
- Purchased from a single point of sale

- Selected before the traveller agrees to pay
- Offered, sold or charged at an inclusive or total price
- Advertised or sold under the term 'package' or a similar term
- Combined after the conclusion of a contract by which a trader entitles the traveller to choose from a selection of different types of travel services

Alternatively, a package travel contract can be purchased from separate traders through linked online booking processes as long as:

- The traveller's name, payment details and email address are transmitted from the trader with whom the first contract is concluded to another trader or traders
- A contract with the latter trader or traders is concluded at the latest 24 hours after the confirmation of the booking of the first travel service

This is irrespective of whether the traveller concludes separate contracts with one or more travel service providers in respect of the services.

Linked travel arrangement

A 'linked travel arrangement' is a combination of at least two different types of travel service for the purpose of the same trip or holiday; they do not constitute a package but do result in the conclusion of separate contracts with individual service providers.

For this to be included in the definition of a linked travel arrangement, the trader must facilitate either:

- The separate selection and separate payment of each travel service by travellers; this must take place during a single visit to, or contact with, a trader's point of sale
  or
- The procurement of at least one additional travel service from another trader where a contract with that other trader is concluded at the latest 24 hours after the confirmation of the booking of the first travel service; the trader must do this in a targeted manner (the meaning of 'targeted manner' is not defined, but an example could be a situation where one trader has passed the traveller's details to another trader that offers the additional service)

However, where the travel services selected do not account for a significant proportion of the combined value of the services and are not advertised as, and do not otherwise represent, an essential feature of the trip or holiday, those services do not constitute a linked travel arrangement.

Travel services relevant in constituting package travel contracts or linked travel arrangements include:

- Passenger transport
- The provision of accommodation
- The rental of cars, motorcycles, etc
- Any other tourist service

The Regulations do not apply to:

- Packages and linked travel arrangements covering a period of less than 24 hours, unless overnight accommodation is included
- Packages offered, and linked travel arrangements facilitated, occasionally on a not-for-profit basis for a limited group of travellers
- Packages and linked travel arrangements purchased on the basis of a general agreement that is concluded between a trader and another person acting for a trade, business, craft or profession for

the purpose of booking travel arrangements in connection with that trade, business, craft or profession

Information required to be provided to travellers

Package travel contracts

Where a package travel contract is sold through a retailer, the organiser and the retailer must ensure that the information listed in Schedule 1* is provided to the traveller before the conclusion of the package travel contract.

[*All of the Schedules mentioned in this guide can be found via the link to the PTRs in 'Key legislation' below.]

Where the use of hyperlinks is possible, the traveller must be provided with the information listed in Schedule 2, using the form and wording given in that Schedule.

Where the use of hyperlinks is not possible, or the package travel contract is to be concluded by telephone, the traveller must be provided with the information listed in Schedule 3, using the form and wording given in that Schedule.

The organiser and the retailer may agree which of them is to provide the required information.

If a package travel contract is not sold through a retailer, the organiser must provide the required information.

There are particular requirements when a traveller is purchasing a package from separate traders through linked online booking processes and both of the following take place:

- The traveller's name, payment details and email address are transmitted from the trader with whom the first contract is concluded to another trader or traders
- A contract with the latter trader or traders is concluded at the latest 24 hours after the confirmation of the booking of the first travel service

In these circumstances, the organiser or trader, and the trader to whom the data is transmitted, must each ensure that the information listed in Schedule 1 is provided to the traveller before the conclusion of the package travel contract. The organiser or retailer must also provide at the same time the information listed in Schedule 4, using the form and wording given in that Schedule.

The information must be provided to the traveller before they are bound by the contract.

The requirement to provide this information is irrespective of whether the traveller concludes separate contracts with one or more travel service providers in respect of the services.

It is an offence to fail to provide the required information.

Linked travel arrangements

The trader facilitating linked travel arrangements must state in a clear, comprehensible and prominent manner that the traveller:

- Will not benefit from any of the rights applying exclusively to packages under the PTRs and that each service provider will be solely responsible for the proper contractual performance of the service
- Will benefit from insolvency protection

Where there is a single visit to, or contact with, a trader's point of sale, resulting in the separate selection and separate payment of each travel service by travellers, the information must be provided using the form and wording set out in:

- Schedule 6, where the trader facilitates a linked travel arrangement and is a carrier selling a return ticket
- Schedule 7, where the trader facilitates a linked travel arrangement and is not a carrier selling a return ticket
- Schedule 8, where the trader facilitates a linked travel arrangement and the contract is concluded in the simultaneous physical presence of the trader (other than a carrier selling a return ticket) and the traveller

Where there is the procurement of at least one additional travel service from another trader (facilitated in a targeted manner by trader) and a contract with the other trader is concluded at the latest 24 hours after the confirmation of the booking of the first travel service, the information must be provided using the form and wording set out in:

- Schedule 9, where the trader facilitates an online linked travel arrangement and is a carrier selling a return ticket
- Schedule 10, where the trader facilitates an online linked travel arrangement and is not a carrier selling a return ticket

The trader must also provide the traveller with the address of the website where a copy of the PTRs can be found or a direct hyperlink to the Regulations (https://www.legislation.gov.uk/uksi/2018/634/contents).

Where linked travel arrangements are different to those listed above, the trader must provide the information in whichever of the forms set out in Schedules 6, 7, 8, 9 and 10 that the trader considers is most appropriate and may make amendments to the forms that are reasonably required to provide the information clearly.

The information must be provided to the traveller before they are bound by the contract.

Failure to comply with these requirements is an offence.

Where the trader facilitating a linked travel arrangement does not comply with these requirements, the requirements outlined in the 'Changes to the package travel contract before the start of the package' section of this guide apply in relation to the travel services included in the linked travel arrangement.

Where a linked travel arrangement is the result of the conclusion of a contract between a traveller and a trader that does not facilitate the linked travel arrangement, that trader must inform the trader facilitating the linked travel arrangement of the conclusion of the relevant contract.

Information that forms part of the travel contract

Information required to be given to the traveller under paragraphs 1 to 10, 12 to 14 and 16 of Schedule 1 is deemed to form an integral part of the package travel contract and must not be altered unless the traveller is informed before the contract is concluded and agrees to the changes.

In England and Wales, it is an implied condition of the package travel contract that if the traveller is not informed of changes in respect of additional fees, charges or other costs referred to in paragraph 12 of Schedule 1, the traveller is not required to bear those fees, charges or other costs.

In Scotland, any such breach is deemed to be a material breach justifying rescission of the contract (as far as the consumer is concerned, this essentially means they could choose to no longer be bound by the contract and receive a full refund).

Content of the package travel contract and other documents

The package travel contract must be provided to travellers in plain and intelligible language; where it is provided in writing, it must be in a legible form.

The organiser or retailer must ensure that the package travel contract sets out the full content of the package and includes all the information specified in Schedule 1 and Schedule 5.

Changes to the package travel contract before the start of the package

These requirements are implied as a term in every package travel contract (this means that they are automatically included in the agreement).

Transfer of the package travel contract to another traveller

A completed package travel contract may be transferred by the traveller to another person who satisfies all the conditions applicable to that contract.

The original traveller must give the organiser notice of the transfer, on a durable medium (for example, a printed copy or an email), at least seven days before the package holiday starts.

The organiser must then inform the new traveller of any additional fees, charges or other costs arising from the transfer of the package travel contract and must provide proof of those costs. The transfer costs must not be unreasonable and must not exceed the cost incurred by the organiser as a result of the transfer.

The original and new traveller are both liable for the cost of any changes and the payment of the balance.

Alteration of the price and other terms of a package travel contract

None of the prices included in a package travel contract may be increased once the contract is concluded, unless the contract:

- States that such increases may be made
- States that price increases may be made only due to increases in:
    - The cost of fuel or other power sources
    - Taxes or fees, such as tourist taxes, landing taxes or embarkation or disembarkation fees at ports and airports
    - Exchange rates
- Provides the traveller with the right to a corresponding price reduction in the case of any decrease in the above costs
- Provides information as to how any price revisions are to be calculated

Any price increase may only be made if the organiser notifies the traveller clearly and comprehensibly of it, on a durable medium, at the latest 20 days before the start of the package; it must include a justification for the increase and a calculation of it.

Where the traveller has the right to a price reduction due to a decrease in the above costs, the organiser may deduct administrative expenses from any refund owed to the traveller as a result of the reduction in price. The organiser must also, at the traveller's request, provide proof of any expenses deducted.

The organiser may not change any other terms of a package travel contract before the start of the package, unless the:

- Contract allows the organiser to make such changes
- Change is insignificant
- Organiser informs the traveller of the change in a clear, comprehensible and prominent manner on a durable medium

There are particular requirements where, before the start of the package, one or more of the following occur:

- Circumstances beyond the control of the organiser require significant alterations to be made to any of the main characteristics of the travel services specified in paragraphs 1 to 10 of Schedule 1
- The organiser cannot fulfil the special requirements specified in paragraph 1 of Schedule 5
- The organiser proposes to increase the price of the package by more than 8%

In these circumstances, the organiser must, without undue delay, inform the traveller in a clear, comprehensible and prominent manner, on a durable medium, of:

- The proposed changes and, where appropriate, their impact on the price of the package
- A reasonable period within which the traveller must inform the organiser of their decision whether to accept the proposed changes or terminate the contract without paying a termination fee, as well as the consequences of the traveller's failure to respond within that period
- Any substitute package, of an equivalent or higher quality, if possible, offered to the traveller and its price

If the traveller terminates the contract, they may accept a substitute package where this is offered by the organiser.

Where the changes to the package travel contract or a substitute package result in a package of lower quality or cost, the traveller is entitled to an appropriate price reduction.

Where the traveller terminates the contract and does not accept a substitute package, the organiser must refund them with all payments made, and this must be done not later than 14 days after the contract is terminated. In these circumstances, the requirements detailed below concerning price reduction and compensation for damages apply.

If the traveller does not confirm within the period specified whether they wish to accept the proposed change or terminate the contract, the organiser must notify the traveller a second time. If the traveller fails to respond again, the organiser may terminate the contract and refund all payments made, and must do so no later than 14 days after the contract is terminated.

Termination of the package travel contract by the traveller

A traveller may terminate the package travel contract at any time before the start of the package, but the traveller may be required to pay an appropriate and justifiable termination fee to the organiser.

The package travel contract may specify reasonable standard termination fees based on:

- The time of the termination of the contract before the start of the package
- The expected cost savings and income from alternative deployment of the travel services

In the absence of standardised termination fees, the amount of the termination fee must correspond to the price of the package minus the cost savings and income from alternative deployment of the travel services.

The organiser must provide a justification for the amount of the termination fee if the traveller so requests.

In the event of unavoidable and extraordinary circumstances occurring at the place of destination or its immediate vicinity, which significantly affect the performance of the package or the carriage of passengers to the destination, the traveller may terminate the package travel contract before the start of the package without paying any termination fee.

In such circumstances, the traveller is entitled to a full refund of any payments made for the package, but is not entitled to additional compensation.

Termination of the package travel contract by the organiser

The organiser may terminate the package travel contract where:

- The number of persons enrolled for the package is smaller than the minimum number stated in the contract and the organiser notifies the traveller of the termination of the contract within the period fixed in the contract but not later than:
    - 20 days before the start of the package, in the case of trips lasting more than six days
    - Seven days before the start of the package, in the case of trips lasting between two and six days
    - 48 hours before the start of the package, in the case of trips lasting less than two days
- The organiser is prevented from performing the contract because of unavoidable and extraordinary circumstances and notifies the traveller of the termination of the contract without undue delay before the start of the package

In such circumstances, the organiser must provide the traveller with a full refund of any payments made for the package, but they are not liable for additional compensation.

Refunds in the event of termination

When a package travel contract is terminated by the traveller, the organiser must reimburse any payments made, having deducted any termination fee, no later than 14 days after the package travel contract is terminated.

Performance of the package

These requirements are implied as a term in every package travel contract (this means that they are automatically included in the agreement).

Responsibility for the performance of the package

The organiser is responsible for all travel services included in a package travel contract, irrespective of whether those services are to be performed by the organiser or by other travel service providers.

If there is any lack of conformity of a travel service included in the package travel contract, the traveller must inform the organiser of it without undue delay.

The organiser must remedy the lack of conformity within a reasonable period set by the traveller, unless it:

- Is impossible to do
- Entails disproportionate costs in respect to the extent of the lack of conformity and the value of the travel services affected

If the organiser does not remedy the lack of conformity within a reasonable period set by the traveller, the requirements detailed below concerning price reduction and compensation for damages apply.

If the organiser refuses to remedy the lack of conformity or where immediate remedy is required, the traveller may remedy the lack of conformity themselves and be entitled to reimbursement of the necessary expenses.

In such circumstances the traveller is not required to set a reasonable period, but if such a period has been set they need not wait until the end of the period before remedying the lack of conformity.

If the organiser is unable to provide a significant proportion of the travel services as agreed in the package travel contract, the organiser must offer, at no extra cost to the traveller, suitable alternative arrangements of, where possible, equivalent or higher quality than those specified in the contract for the continuation of the package, including where the traveller's return to the place of departure is agreed.

If the organiser offers proposed alternative arrangements that result in a package of lower quality than that specified in the package travel contract, the organiser must grant the traveller an appropriate price reduction.

The traveller is entitled to reject any proposed alternative arrangements but only if they are not comparable to the arrangements that were agreed in the package travel contract, or the price reduction granted is inadequate.

If any lack of conformity substantially affects the performance of the package and the organiser fails to remedy the lack of conformity within the reasonable period, the traveller may terminate the package

travel contract without paying a termination fee and, where appropriate, is entitled to a price reduction and/or compensation for damages.

If the organiser is unable to make alternative arrangements, or the traveller rejects the proposed alternative arrangements, the traveller is, where appropriate, entitled to a price reduction and/or compensation for damages.

In both of these circumstances, the requirements detailed in the 'Price reduction and compensation for damages' section of this guide apply.

If the package includes the carriage of passengers, the organiser must also provide repatriation of the traveller with equivalent transport without undue delay and at no extra cost to the traveller.

If the organiser is unable to ensure the traveller's return as agreed in the package travel contract because of unavoidable and extraordinary circumstances, the organiser must bear the cost of necessary accommodation, if possible of equivalent category, for a period not exceeding three nights per traveller. Alternatively, where a different period is specified in passenger rights legislation applicable to the relevant means of transport for the traveller's return, the organiser must bear the cost for the period specified in that legislation.

As long as the organiser has been notified of individuals' particular needs at least 48 hours before the start of the package, this limitation of costs does not apply to:

- Persons with reduced mobility and any person accompanying them
- Pregnant women
- Unaccompanied minors
- Persons in need of specific medical assistance

The organiser's liability may not be limited by reason of unavoidable and extraordinary circumstances if the relevant transport provider may not rely on such circumstances under the applicable passenger rights legislation.

Price reduction and compensation for damages

The organiser must offer the traveller an appropriate price reduction for any period during which there is a lack of conformity, unless the organiser proves that the lack of conformity is attributable to the traveller.

The organiser must offer the traveller, without undue delay, appropriate compensation for any damage that the traveller sustains as a result of any lack of conformity.

The traveller is not entitled to compensation for damages if the organiser can prove that the lack of conformity is:

- Attributable to the traveller
- Attributable to a third party unconnected with the provision of the travel services included in the package travel contract and is unforeseeable or unavoidable
- Due to unavoidable and extraordinary circumstances

Insofar as the international conventions* limit the extent of, or the conditions under which, compensation is to be paid by a provider carrying out a travel service that is part of a package, the same limitations are to apply to the organiser.

[*The international conventions are:

- Carriage by Air Conventions, within the meaning given in section 1(5) of the Carriage by Air Act 1961
- Athens Convention of 1974 on the Carriage of Passengers and their Luggage by Sea
- Convention of 1980 concerning International Carriage by Rail (COTIF)]

In other cases, the package travel contract may limit compensation to be paid by the organiser as long as that limitation does not:

- Apply to personal injury or damage caused intentionally or with negligence, or does not limit any liability that cannot be limited by law
- Amount to less than three times the total price of the package

Any right to compensation or price reduction does not affect the rights of travellers under passenger rights legislation and the international conventions, but the organiser must deduct the value of such compensation etc from that required to be paid under these Regulations.

Possibility of contacting the organiser via the retailer

The traveller is entitled to address messages, requests or complaints in relation to the performance of the package directly to the retailer through which it was purchased and the retailer must forward those messages, requests or complaints to the organiser without undue delay.

In respect of compliance with required time-limits or limitation periods, receipt of the messages, requests or complaints by the retailer are to be considered as receipt by the organiser.

Obligation to provide assistance

If the traveller is in difficulty, particularly where the organiser is unable to return the traveller as agreed in the package, the organiser must give appropriate assistance without undue delay by:

- Providing appropriate information on health services, local authorities and consular assistance
- Assisting the traveller to make distance communications and helping the traveller to find alternative travel arrangements

The organiser may charge a fee for such assistance if the difficulty is caused intentionally by the traveller or through the traveller's negligence, but that fee must be reasonable and must not exceed the actual costs incurred by the organiser.

Insolvency protection

Insolvency protection for packages

The organiser of a package must provide effective security to cover, in the event of the organiser's insolvency, the reasonably foreseeable costs of refunding, without undue delay, all payments made by or on behalf of travellers for any travel service not performed as a consequence of the insolvency, taking into account the length of the period between down payments and final payments and the completion of the

packages.

If the carriage of passengers is included in the packages, and the performance of any package is affected by the insolvency, the organiser must also provide effective security to cover repatriating the traveller and, if necessary, financing the traveller's accommodation prior to the repatriation, free of charge.

The method of security provided by the organiser must at least comply with the requirements given below regarding bonding, reserve funds, insurance policies and monies held in trust.

An organiser who fails to comply with these requirements commits an offence.

In the event of the organiser's insolvency, travellers may agree to continue the package where it is possible to do so and a person, other than that organiser, agrees to carry out the responsibilities of the organiser under the package travel contract.

Insolvency protection for linked travel arrangements

Any trader who facilitates a linked travel arrangement must provide effective security to cover, in the event of the trader's insolvency, the reasonably foreseeable costs of refunding all payments the trader receives from travellers for any travel service that is part of the linked arrangement and is not performed as a consequence of the trader's insolvency, taking into account the length of the period between down payments and final payments and the completion of the linked travel arrangements.

If the trader is the party responsible for the carriage of passengers, and the performance of the linked travel arrangement is affected by the insolvency, the trader must also provide effective security to cover the traveller's repatriation and, if necessary, financing the traveller's accommodation prior to the repatriation.

The security must be provided where appropriate without undue delay and free of charge.

The method of security provided by the organiser must at least comply with the requirements given below regarding bonding, reserve funds, insurance policies and monies held in trust.

Bonding

An organiser may provide insolvency security by means of a bond entered into with an authorised institution under which the institution, in the event of the insolvency of the organiser, binds itself to pay to an approved body (of which that organiser is a member) whichever sum is the smaller of either:

- A sum that may reasonably be expected to enable all monies paid by or on behalf of travellers under or in contemplation of package travel contracts that have not been fully performed to be repaid; it must not be less than 25% of all the payments that the organiser estimates they will receive under or in contemplation of package travel contracts in the 12-month period from the date of entry into force of the bond
  or
- The maximum amount of all the payments that the organiser expects to hold at any one time, in respect of contracts that have not been fully performed

If the carriage of passengers is included in the packages and the performance of the packages is affected

by the insolvency, the authorised institution binds itself to pay the above sum plus an additional sum as the organiser may reasonably expect to be required to cover the reasonably foreseeable costs of repatriating the travellers and, if necessary, financing the travellers' accommodation prior to the repatriation.

Any such bond entered must not be in force for a period exceeding 18 months.

Before a bond is entered into:

- The organiser must inform the approved body of which they are a member of the minimum sum that the organiser proposes for the bond
- The approved body must consider whether that sum is sufficient for those purposes; if the approved body does not consider that the sum is sufficient for those purposes, it must:
    - Inform the organiser that this is the case
    - State the sum that, in the opinion of the approved body, is sufficient for those purposes

The Department for Business, Innovation, Science and Trade has approved three bodies to provide bonding. These approved bodies will ensure that a package travel organiser's bond meets the insolvency requirements.

The approved bodies are:

- ABTA
- ABTOT (Association of Bonded Travel Organisers Trust) and BCH (Bonded Coach Holidays) jointly
- AITO Financial Protection Services Ltd

An authorised institution is one that has been authorised under the law of the UK, the Channel Islands or the Isle of Man to carry on the business of entering into bonds of the kind required by these requirements.

Bonding where the approved body has a reserve fund or insurance

An organiser may provide insolvency security by means of a bond entered into by an authorised institution under which the institution, in the event of the organiser's insolvency, agrees to pay to an approved body (of which the organiser is a member) whichever sum is the smaller of either:

- The maximum amount of all the payments that the organiser expects to hold at any one time in respect of contracts that have not been fully performed
  or
- A sum that represents not less than 10% of all the payments that the organiser estimates they will receive under or in contemplation of package travel contracts in the 12-month period from the date of entry into force of the bond

If the carriage of passengers is included in the packages and the performance of the packages is affected by the insolvency, the authorised institution agrees to pay the minimum sum as calculated above plus an additional sum as may be specified by the approved body as representing the amount required to cover the costs of repatriating the travellers and, if necessary, financing the travellers' accommodation prior to the repatriation.

Any such bond must not be in force for a period exceeding 18 months.

An approved body is one that has approved by the Secretary of State.

An authorised institution is one that has been authorised under the law of the UK, the Channel Islands or the Isle of Man to carry on the business of entering into bonds of the kind required by these requirements.

Insurance

An organiser may provide insolvency security by means of an appropriate insurance policy - under which the insurer agrees to indemnify travellers in the event of insolvency - that ensures that travellers are insured persons under the policy. It is a term of every package travel contract that the traveller acquires the benefit of such a policy.

An appropriate insurance policy is one that does not contain a condition that provides that no liability arises under the policy, or that any liability so arising ceases:

- In the event of some specified thing being done or omitted to be done after the happening of the event, giving rise to a claim under the policy
- In the event of the policyholder not making payments under or in connection with other policies
- Unless the policyholder keeps specified records or makes available to, or provides the insurer with, information from those records

An appropriate insurance policy must cover the costs of refunding all payments made by or on behalf of travellers for any travel service not fully performed as a consequence of the insolvency, taking into account the length of the period between down payments and final payments and the completion of the packages.

If the carriage of passengers is included in the package, and the performance of the package is affected by the insolvency, an appropriate insurance policy must also cover the costs of repatriating the traveller and, if necessary, financing the traveller's accommodation prior to the repatriation.

Monies in trust

An organiser may provide insolvency security by means of monies placed in trust by the organiser. In these circumstances, monies paid by or on behalf of a traveller under or in contemplation of a package travel contract must be held in the UK by an independent person as trustee for the traveller.

Such monies are to be held until either:

- The contract has been fully performed
  or
- Any sum of money paid by or on behalf of the traveller in respect of the contract has been repaid to the traveller or has been forfeited on cancellation by the traveller

If the organiser offers packages that include the carriage of passengers, the organiser must have insurance under one or more appropriate policies with an authorised insurer under which, in the event of the insolvency of the organiser, the insurer agrees to cover the costs of repatriating the traveller who has purchased a relevant package and, if necessary, financing the traveller's accommodation prior to the repatriation.

The sum required to be held in trust may be reduced if the organiser also takes out an appropriate insurance policy under which, in the event of the insolvency of the organiser, the insurer agrees to cover

the relevant amount in accordance with the requirements for insurance policies given above.

The amount of money to be held in trust and covered by an insurance policy as appropriate is an amount as may be required to cover the costs of refunding the traveller for any travel service not fully performed as a consequence of the insolvency, taking into account the length of the period between down payments and final payments and the completion of the package.

It is an offence for the organiser to make a false statement to the trustee regarding payment made to a traveller.

These requirements do not apply to a package that is one where the organiser is required to hold a licence, or the organiser has entered into arrangements, under the Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012.

General requirements

Specific obligations of the retailer where the organiser is established outside the UK

If a holiday retailer sells or offers to sell holiday packages combined by an organiser established outside of the UK, the retailer is subject to the obligations required for organisers, unless the retailer provides evidence that the organiser complies with those obligations.

Liability for booking errors

These requirements are implied as a term in every package travel contract (this means that they are automatically included in the agreement).

A trader is liable for any errors due to technical defects in their booking systems, but not if the errors are attributable to the traveller or caused by unavoidable and extraordinary circumstances.

Right of redress

Where an organiser or retailer is required to pay compensation, grant a price reduction or meet other obligations under these Regulations, the organiser or retailer may seek redress from any third parties that contributed to the event, triggering compensation, a price reduction or other obligations.

Rights and obligations under these Regulations

A declaration by an organiser of a package or a trader facilitating a linked travel arrangement that they are acting exclusively as a travel service provider, as an intermediary or in any other capacity, does not absolve that organiser or trader from the obligations imposed upon them under these Regulations. The same applies to a declaration that a package or a linked travel arrangement does not constitute a package or a linked travel arrangement.

A traveller may not waive any right granted to the traveller by these Regulations. Any contractual arrangement or any statement by the traveller that directly or indirectly waives or restricts the rights conferred on travellers by these Regulations, or aims to circumvent the application of these Regulations, is not binding on the traveller.

Other relevant legislation

Restrictions on payment charges

Businesses cannot impose any surcharge for using the following methods of payment:

- Consumer credit cards, debit cards or charge cards
- Similar payment methods that are not card-based - for example, mobile phone-based payment methods
- Electronic payment services - for example, PayPal

Businesses are allowed to make a charge for accepting a payment by any other method - for example, cash, cheques, standing orders and direct debits. However, if the customer has to pay a surcharge for using a particular method of payment, then that surcharge must not be more than it costs the business to process that method of payment. The Consumer Rights (Payment Surcharges) Regulations 2012 do not specify any maximum amounts as the costs should reflect the actual cost to the individual business of processing the payment.

Please see 'Payment surcharges' for detailed information.

Consumer contracts

Contracts between traders and consumers, including package travel contracts, are controlled by the Consumer Rights Act 2015 (CRA); see 'Supplying services' for more information.

The CRA requires that services provided by traders to consumers should be performed in accordance with the contract, with reasonable care and skill, at a reasonable price, etc. It provides consumers with remedies they can require from the trader if the service provided does not meet the terms of the contract - for example, a reduction in the price paid.

As a general rule, if something goes wrong with the supply of goods and services, consumers can claim their direct losses, but they cannot claim compensation for distress and inconvenience. However, the law makes an exception for some types of contract, including contracts for package travel. Therefore, as the purpose of a holiday is usually to provide enjoyment and relaxation, a consumer may be able to claim compensation for inconvenience and distress, on top of a refund and any other losses, if things go wrong.

However, where specific legal requirements, such as those detailed in this guide, impose stricter duties and requirements on traders they take precedence and must be complied with.

Unfair commercial practices

Part 4, Chapter 1 of the Digital Markets, Competition and Consumers Act 2024 (DMCCA) imposes a general prohibition on unfair commercial practices between traders and consumers. Commercial practices are considered unfair if they contravene the requirements of professional diligence (falling short of the standard of skill and care that a trader may reasonably be expected to exercise towards consumers) or if they are misleading or aggressive, and this is likely to cause a consumer to take a transactional decision that they would not have taken otherwise.

The DMCCA prohibits giving false or misleading information to, or deceiving, consumers. This is known as a 'misleading action' and would cover, for example, situations where a trader makes a statement that holiday accommodation has a 'sea view' when it does not.

It would also be a breach of the DMCCA to fail to give consumers the information that they need to make an informed choice; this is known as a 'misleading omission'. An example of this may be failing to inform a consumer that holiday accommodation is next to a noisy and busy road. Failure to provide information that is required under the PTRs could also amount to a misleading omission if it is likely to cause a consumer to take a transactional decision that they would not have taken otherwise.

In addition, failure to provide specified information where there is an invitation to purchase or doing one of a list of specifically banned practices is also prohibited. Invitations to purchase arise where information is given to a consumer about the characteristics of a product and its price, which help a consumer decide whether to purchase the product or make some other decision about the product (for example, a brochure offering various package holidays).

See 'Protection from unfair trading (criminal law)' for more information on the Act, including an explanation of the term 'transactional decision' and guidance on the banned practices. For the time being, consumers' rights of redress are still covered by the Consumer Protection from Unfair Trading Regulations 2008 (CPRs); information on these rights can be found in 'Protection from unfair trading (consumers' rights of redress)'.

Further information

The Department for Business, Energy and Industrial Strategy (a predecessor of the Department for Business, Innovation, Science and Trade) has created guidance for businesses on the PTRs, which is available on the GOV.UK website.

Detailed information is also available in 'Practical holiday law' and 'Holiday law for travel agents', both of which can be found in Business Companion's Business in Focus section.

The Package Travel and Linked Travel Arrangements (Amendment) Regulations 2026 will be making changes to the law from April 2027.

Trading Standards

For more information on the work of Trading Standards Services and the possible consequences of not abiding by the law, please see 'Trading Standards: powers, enforcement and penalties'.

In this update

No major changes.

Last reviewed / updated: October 2026

Key legislation

- Assimilated Regulation (EC) No 261/2004 *establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights*
- Consumer Protection from Unfair Trading Regulations 2008
- Civil Aviation (Air Travel Organisers' Licensing) Regulations 2012
- Consumer Rights (Payment Surcharges) Regulations 2012
- Consumer Rights Act 2015
- Package Travel and Linked Travel Arrangements Regulations 2018
- Digital Markets, Competition and Consumers Act 2024:
    - Part 4, Chapter 1

Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links go to the legislation.gov.uk website. The site usually updates the legislation to include any amendments made to it. However, this is not always the case. Information on all changes made to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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