



Air Travel Organisers' Licencing

ATOL Policy and Regulations 2013/03

Making arrangements when an Air Travel Organiser's Licence (ATOL) is not renewed¹

1 Introduction

- 1.1 The ATOL Regulations² require that, with certain exceptions, a travel business needs to hold an ATOL in order to make available flight accommodation. Making available flight accommodation includes advertising, accepting and holding licensable bookings³, accepting payments (deposits or final balances) and carrying consumers in relation to licensable bookings. Once an ATOL expires, the former ATOL holder cannot legally carry out any of these activities or advertise that it can.

2 Fitness to hold an ATOL

- 2.1 If a business breaches the ATOL Regulations by giving an indication that it holds an ATOL or by conducting licensable business after its ATOL has expired, this is conduct which the CAA will take into account when considering whether that former ATOL holder (or the persons appearing to the CAA to control that former ATOL holder) is a fit person⁴ to hold an ATOL in future.

3 Deeds of Indemnity for Overtrading

- 3.1 Where the CAA holds a Deed of Indemnity in respect of overtrading as a condition of licensing, section 3 of the Deed states that an unlicensed business that provides carriage or accepts any payment in respect of licensable bookings will be deemed to be overtrading.

4 Action to be taken when an ATOL is not renewed

- 4.1 When a business ceases to hold an ATOL in circumstances where its ATOL expires before a new ATOL is granted, the business cannot legally carry out activities that require it to hold an ATOL and it **must**:
- Stop advertising licensable travel and remove ATOL logos and references to the expired ATOL on website(s) and other forms of publicity.

¹ Renewed means the grant of an ATOL following expiry of a previous ATOL.

² The Civil Aviation (Air Travel Organisers' Licencing) Regulations 2012, as amended

³ Licensable bookings means transactions for which an ATOL must be held

⁴ See ATOL Policy Note 2013/02 (Criteria for an application for and grant of, or a variation to, an ATOL: Fitness, Competence and Accountable Person)

- Stop accepting payments for new licensable bookings and any payments due on existing licensable bookings;
 - If sales are made through agents, issue written instructions to its agents that the agents should immediately stop taking new licensable bookings and accepting any payments on existing licensable bookings on its behalf.
 - Notify consumers due to depart, that the former ATOL holder cannot provide the trip and confirm that the consumers will be issued with a refund of all monies paid to the former ATOL holder or its agent/s;
 - Provide the CAA with a complete list of current licensable bookings including those overseas at the time of the non-renewal and those due to depart the UK in the future. The list should include details of inbound and outbound flights (flight number, date, time, origin and destination) and consumers (lead names and booking value). The CAA may require this information in advance of the expiry of an ATOL where it believes the ATOL will not be renewed on time.
- 4.2 In the interest of avoiding detriment to consumers abroad who travelled on licensable bookings, the CAA will consider issuing a short term exemption to the former ATOL holder from the requirement to hold an ATOL, to enable those consumers on existing bookings to complete their trips.

5 Where another ATOL holder is willing to take over existing licensable bookings

- 5.1 In exceptional circumstances, the CAA may consider a request from the former ATOL holder to transfer existing licensable bookings to another ATOL holder (the 'transferee'). This is subject to the CAA's prior written consent. The CAA must be satisfied that the transferee ATOL holder continues to meet the CAA's published criteria⁵ to hold an ATOL and that the transferee ATOL holder's existing ATOL limits are adequate to support the additional transferred business.
- 5.2 The transferee ATOL holder must make it clear to consumers that the transferee ATOL holder is fully responsible for securing and fulfilling all elements of the trip as booked with the former ATOL holder.
- 5.3 The CAA will require a complete list of consumers covered by the transfer and details of their bookings, including inbound and outbound flight details. The CAA will also require a letter of undertaking from the transferee ATOL holder confirming its acceptance of responsibility for the bookings listed.
- 5.4 In addition, the CAA will require the transferee ATOL holder to issue a new ATOL Certificate and any other revised documentation to consumers immediately. These bookings must be included in the transferee ATOL holder's next ATOL Protection Contribution (APC) Report and APC paid accordingly.

⁵ See ATOL Policy Note 2013/01 (Criteria for an application for and grant of, or a variation to, an ATOL: Financial) and ATOL Policy Note 2013/02 (Criteria for an application for and grant of, or a variation to, an ATOL: Fitness, Competence and Accountable Person)