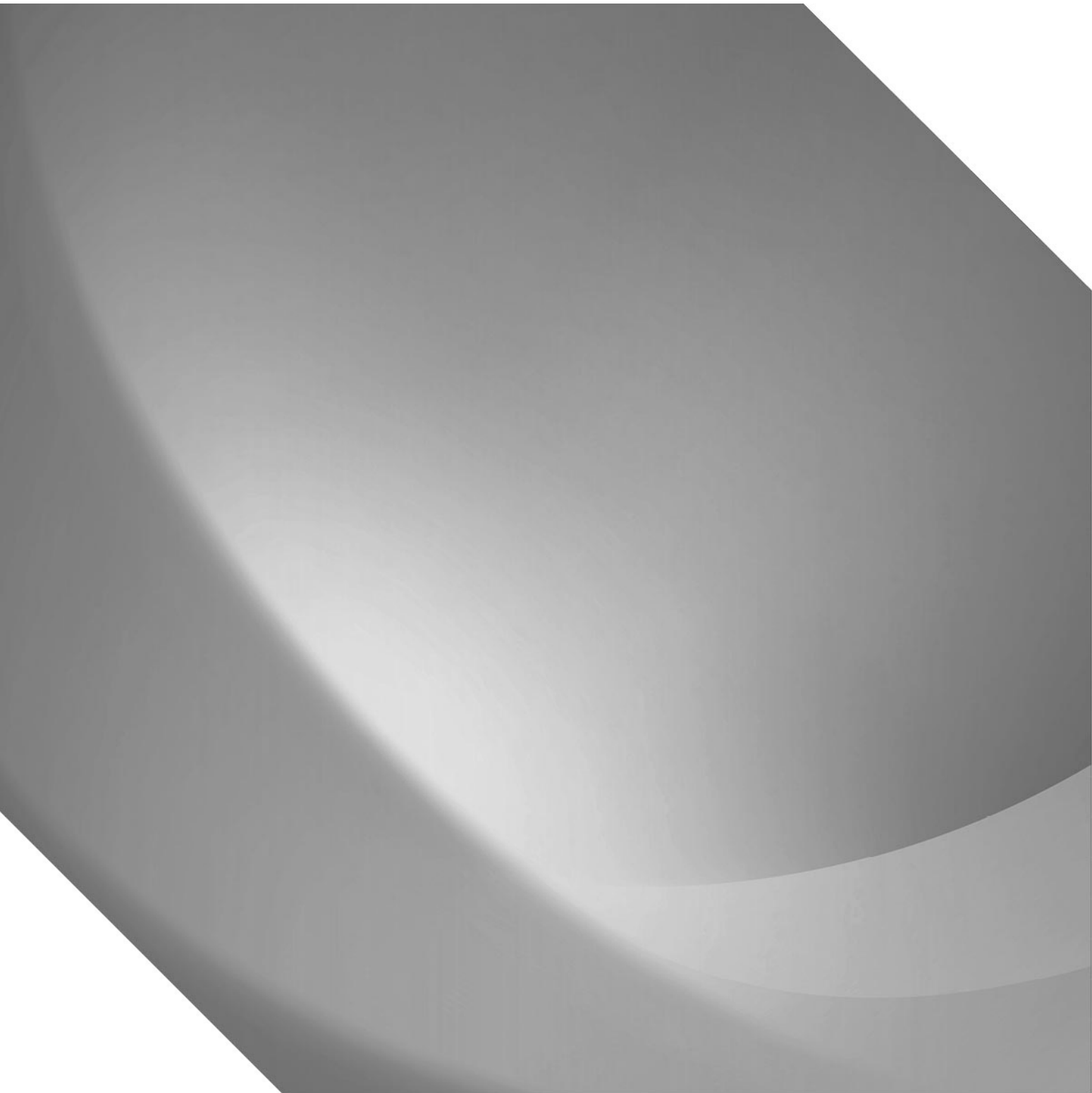


# Modernising ATOL: CAA response to consultation feedback

**CAP 1677**



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Enquiries regarding the content of this publication should be addressed to: [ATOL.consultation@caa.co.uk](mailto:ATOL.consultation@caa.co.uk)

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# Introduction

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## Executive summary

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This document comprises the CAA's published response to the feedback from stakeholders responding to its consultation "Modernising ATOL"<sup>1</sup> published in February 2018. The document should be read in conjunction with Modernising ATOL.

It accompanies the publication of a new version of the [CAA's Official Record Series 3 \(ORS3\)](#), which includes ATOL Standard Terms for licences, required Agency Terms, ATOL exemptions, Accredited Body Standard Terms, and other ATOL information published by the CAA.

Having considered carefully the responses received, the CAA intends to implement most of the proposals in Modernising ATOL, but in some cases changes have been made. The proposals relating to the implementation of relevant aspects of Directive (EU) 2015/2302 on package travel and linked travel arrangements ("PTD": see glossary) are being implemented in full and will take effect on 1 July 2018. The measures intended to enable ATOL holders to transition to the new licensing arrangements (broadly, enabling some aspects of current arrangements to persist until ATOL holders' current licences come up for renewal in either September 2018 or March 2019 accordingly) are being implemented in full.

In addition to those measures, and in view of industry concern over the time and resources required to comply, the CAA has identified three additional areas where it will adapt the proposals to make compliance more achievable.

First, in the light of feedback the CAA has decided to defer the implementation date of some of the measures that are not required for the implementation of the PTD. This affects proposals on how consumer information is displayed, which must now be in place by 1 April 2019.

Second, in addition, the CAA will not, at this stage, introduce the proposal that ATOL holders which advertised a specific flight must secure it straight away. We still intend to implement such a measure by 1 April 2019, but we intend to work with key stakeholders later this year in relation to developing the precise wording of the obligation.

Finally, the CAA acknowledges the travel industry's view that there is insufficient time for some changes, particularly system changes, to be made. We have decided to take a proportionate approach to the enforcement of compliance. ATOL holders are expected to

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<sup>1</sup> <http://publicapps.caa.co.uk/docs/33/ModernisingATOLConsultationFINAL1.0.pdf>

take steps to comply immediately, but for a period of three months our enforcement stance will be focused mainly on monitoring and gaining confidence that ATOL holders are taking steps to become quickly compliant. After that, we will review progress on an individual company basis. We would expect to intervene and consider taking action where businesses' plans to comply are inadequate and having regard to whether there is a material risk of consumer detriment.

There is a full list of required changes, including information on when they must be implemented by and which groups are affected by them, in Appendix B on page 23.

The remaining measures in Modernising ATOL are not features of ORS3, and the outcomes will be developed over a longer time horizon. The proposed online ATOL Certificate system is still undergoing a feasibility study, and feedback from the consultation was passed to the project team. A decision on whether or not to proceed is expected to be taken during 2018/19. Government is minded to bring forward separate legislation in early 2019 to implement civil sanctions for the ATOL scheme.

## Related legislative developments

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There are three main strands in the UK by which the Package Travel Directive is implemented.

The Department for Business, Energy and Industrial Strategy (BEIS) is the sponsoring department for the UK's implementation of the Package Travel Directive 2015. Other than arrangements for insolvency protection for package holidays including a flight, the Directive is implemented in the UK by the Package Travel and Linked Travel Arrangements Regulations 2018. BEIS has laid new draft Regulations before Parliament and they are expected come into force on 1 July 2018.

The Department for Transport (DfT) is the sponsoring department for ATOL. DfT published the ATOL (Amendment) Regulations 2018 on 8 June 2018 and they will come into effect on 1 July 2018.

The CAA implements ATOL under powers it is given by the ATOL Regulations, and the ORS3 is made under those ATOL Regulations. Where requirements set out in ORS3 derive from the CAA's powers under the ATOL Regulations those requirements also have legal effect.

## Chapter 1

# Implementing the Package Travel Directive into ATOL

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## Schedule of ATOL standard terms

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### Stakeholder feedback and CAA response

Many respondents were supportive of the CAA's aim to increase transparency and clarity for consumers but some expressed concerns on the proposals to achieve this and the timescale. They did not rule out adopting some such measures in the future but argued it was sensible to implement and imbed the necessary PTD changes before introducing further ones. Any such changes should then be subject to industry consultation, with a sufficient lead-in time to develop IT systems and train staff. Some respondents considered the proposals to be 'gold-plating' as they were not required by the PTD, and some believed that the cost to the industry would be disproportionate to the benefit to consumers. The changes for all of the ATOL standard terms will take effect from 6 July except where specifically noted.

### ATOL standard term 1 (Providing information to consumers before and after sale)

The CAA had proposed changes intended to enhance the information ATOL holders provide to consumers, either to enhance consumers' awareness of the protection afforded to them before they book and pay, or to bring standards to a level that the CAA believes is necessary to implement disclosure aspects of the Consumer Protection Regulations properly, as follows.

#### ATOL disclosures

The CAA proposal was to amend AST 1.4 to make more specific requirements on when and how ATOL protection should be disclosed during the sale process. Respondents who were not supportive expressed concerns at the additional technical development work involved and the consequential time and resource costs. There was also a concern as to whether it would be possible to implement the changes on time. More specifically, some respondents felt that although disclosure was important, the requirement for additional information may have a negative impact on the consumers' booking experience.

The CAA believes that to achieve improved clarity for consumers it is appropriate to proceed with the changes to ATOL Standard Term 1 and ATOL Standard Term 6, as proposed. However, in recognition of the concerns at the short timescales for implementation the changes will take effect on 1 April 2019.

The consultation suggested that a consequence of the changes may lead to the removal of the statements required in publicity material. We have considered this further and concluded that there remain some benefits to clarity in retaining the statements alongside



the more specific information that will be required to be provided where an ATOL protected product is offered for sale, and therefore the requirement to include statements remains.

### **Other disclosures**

The CAA proposal was to mandate improved key information provided to customers as they searched for holidays. Respondents who were not supportive expressed concerns about the proposed level of detail required for flights, highlighting that it is common practice for operators to advertise and sell flights before airlines release their flight programmes. The requirement to provide information on key extras such as baggage and transfers was also of concern as these can differ between carriers.

Another concern was the onus that the proposals would put on ATOL holders to ensure that price comparison websites (PCWs: see glossary) complied with the other disclosure requirements, which could require travel businesses to add contractual obligations to their contracts with PCWs, increasing ATOL holders' costs.

A couple of respondents suggested that the minimum set of information should also include details about cancellation / amendment fees and their associated rights.

The CAA believes it is appropriate to proceed with the changes to ATOL Standard Term 1 as proposed, to improve consumers' ability to make informed choices. However, in recognition of the concerns at the short timescales for implementation changes will take effect on 1 April 2019.

### **Securing flights**

The CAA proposal was to require ATOL holders which advertised a specific flight to secure that flight once a contract has been entered into for a licensable transaction. There was some support from respondents of the policy objective to mitigate the risk to consumers and the ATT in the event of an ATOL holder's insolvency, and also for clamping down on unscrupulous businesses. However, there was concern that the changes could create detriment rather than alleviate it.

A number of respondents raised concerns already mentioned in the 'other disclosures' section to the effect that bookings often include flights that cannot be secured when the booking is made, and others sought clarification as to what is meant by 'secure' as it could affect a business's ability to offer flights on a deposit basis.

The CAA believes it is appropriate in principle to proceed with the changes to ATOL Standard Term 1 and ATOL Standard Term 6 to make it less likely that consumers will not get the flight they thought they had bought. However, in recognition of the concerns raised and a wish to explore these in more detail, we are making no regulatory change at this time. We will engage with those who responded on this issue to consider how the policy objective may be better achieved. This engagement is expected to take place later this year.

### **ATOL standard term 3 (Providing information to the CAA)**

The first proposal was to change the reporting period for Small Business ATOLs (SBAs) from annually to quarterly. Most respondents either supported it or made no comment, though a small number of respondents said it would increase the workload and costs for small businesses. The second proposal was to require Franchise ATOL holders with less than £5m licensable revenue and more than 1,000 passengers to provide Annual Accountants' Reports (AAR). The third was to change the timescale for all ATOL holders to provide AARs from '*...within 6 months...*' to '*...within 9 months of the ATOL holder's financial period end or its ATOL renewal date, whichever is the earlier*'. There was no opposition to this. The CAA will proceed with the changes to ATOL Standard Term 3, as proposed.

### **ATOL standard term 4 (Reporting business and financial information to the CAA)**

The CAA had proposed to change the basis of the requirement for ATOL holders to report material changes to the CAA, so that the guidance was less granular and more principles based.

There was both support and opposition to this, with more respondents opposing the changes than supporting them. The opposition was mostly to the effect that ATOL holders would find it difficult to know what the CAA would "reasonably" expect them to report, and it would be clearer if the CAA specified a list setting out exactly what should be reported. Some also felt that the CAA should not implement the changes on 1 July, but should consult again with the specific wording. There was a view that the CAA's observation that this was normal practice in the financial services sector was not a useful comparison because businesses operating in the financial sector have a higher level of financial expertise than many travel businesses.

We have considered these points carefully and concluded that we will implement the proposal in a form that falls short of a full "principles-based" way. The requirements have been redrafted to include a material information provision but retain sufficient granularity to guide ATOL holders. We expect to keep this position under review.

### **ATOL standard term 6 (Sales restrictions)**

#### **ATOL sales made through EEA-established agents**

The CAA has identified that there needs to be changes to the details of the agency agreement between ATOL holders and agents established in the EEA, governing the terms of licensable sales made by those agents. The reason for the changed means of implementation is that non-UK travel agents are not bound by the ATOL Regulations in respect of sales made outside the UK, and the ATOL Regulations therefore cannot be used to require them to sell under an agency agreement.

The CAA believes it is as important for EEA agent sales to be governed by written agency agreements as it is for UK agent sales. For that reason a new requirement will be introduced in ATOL Standard Term 6, which will restrict ATOL holders from selling via EEA-established agents except where a compliant agency agreement is in place. The purpose of the new mandatory terms is identical to existing agreements, but the words used to implement that purpose have changed where appropriate.

## **Exemptions from the ATOL Regulations**

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### **01/2012 – Small aircraft and other cases**

The proposal was to adapt the exemption to make it unsuitable as a basis on which to sell in the manner of a scheduled airline. There was support for this proposal and no opposition. The exemption has been implemented as proposed. It has been re-numbered as 01/2018 and will take effect from 9 June 2018.

### **10/2012 – Flight-Only use of consumer's credit or debit card**

The proposal was to adapt the exemption to enable businesses to sell confirmed airline tickets in circumstances where the airline has been paid in full at the time the consumer made their booking. There was materially more support for this proposal than opposition. Some respondents expressed the view that either all Seat-Only sales should be included in ATOL, or none should be. However the ATOL Regulations specifically exempt airline Seat-Only sales from ATOL, so including all Seat-Only sales is not an option. Similarly, since the ATOL Regulations specify that Seat-Only sales that are not made by an airline or an airline's appointed agent are, by default, ATOL protected, it is not open to the CAA to exempt them wholesale. This exemption is intended to allow such sales to take place outside of ATOL, where consumers are not exposed to the risk of the seller's insolvency, and no more exposed to the operator's insolvency than they would have been had they booked direct.

It has been re-numbered as 02/2018 and will take effect from 1 July 2018.

### **04/2013 – Overseas**

The proposal was to reduce the scope of the exemption so that a Flight-Only return leg (that is, a return journey back to the UK) would be licensable if it were sold as part of the same trip as a UK-originating outbound leg. There was some support for this proposal and no outright opposition. Having reflected on the exemption the CAA has decided not to proceed with its proposal at this stage.

### **05/2013 – Corporate sales**

The proposal was to revoke this exemption on the grounds that the need for it had been replaced by new statutory exemptions arising from the PTD. There was support for this proposal and no outright opposition. Some respondents commented on the CAA's powers, set out in the ATOL Regulations, to publish mandatory terms to be included in

general business travel agreements, and this issue is addressed on page 17. This exemption has been removed, as proposed.

## Schedule of Agency Terms

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The following changes will all take place with effect from 6 July (accepting that the change to Agency Term 11 gives an additional three months in which to make the changes).

### Agency Term 2.1

The proposals were to remove the content of ATOL Standard Term 1 from the schedule of agency terms, for administrative simplification, and to make it clear that agents may not use the ATOL logo in their own promotional material, to avoid giving consumers misleading information. Respondents supported these proposals, and the CAA will implement them as set out in the consultation.

### Agency Term 6

The proposal was to make it clear that, when selling as the agent of an ATOL holder, an agent must ensure consumers are supplied with an ATOL Certificate. There was very little opposition to this proposal but some respondents queried whether the CAA's intention was that agents should produce ATOL Certificates. The CAA believes that the question of who produces an ATOL Certificate should be agreed between an ATOL holder and its agent but, since the agent is usually the person in direct contact with a consumer, the agent should ensure that the consumer receives the ATOL Certificate.

We will proceed with implementing this proposal but make it clear that the production of an ATOL Certificate can be done by either the ATOL holder or its agent and, regardless of who produces it, the agent has an obligation to ensure that the consumer receives the ATOL Certificate.

### Agency Term 11

The CAA proposed to amend Agency Term 11 so that if amendments are made to the schedule of agency terms, ATOL holders have 3 months in which to incorporate those amendments into the agreements with their agents. Most respondents made no comment on this proposal although there was some support and some opposition. The opposition was mostly that ATOL holders should be given more time to incorporate amendments in their agreements although some felt that the Agency Terms should not require ATOL holders to re-issue their agreements.

The CAA has considered these responses carefully and believes that it is appropriate to proceed with the proposal to allow ATOL holders a period of 3 months to incorporate changes.

## Schedule of Accredited Body standard terms

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The CAA had proposed to remove the content of ATOL Standard Term 1 from the schedule of Accredited Body standard terms, to reduce the administrative burden on companies. There was no opposition to this. It had also proposed that Accredited Bodies should report changes in membership in real time rather than on a weekly basis, using the new IT platform. The CAA will implement both proposals.

## ATOL Certificates

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The following changes will take effect from 1 July although, as set out on page 5, the CAA acknowledges the difficulty for ATOL holders and booking system providers in making system changes by that date and is adopting a modified approach to compliance monitoring.

### Flight-Plus ATOL Certificates

The proposal was to retain the form of the Flight-Plus ATOL Certificate and re-label this 'Multi-contract Package'. Most respondents offered no comment on this, agreeing that it would enable businesses to transition from Flight-Plus to packages with minimal business systems changes. Those that opposed the proposal questioned the merits of two certificates with differing content for package holidays, and believed that this would confuse consumers.

Given this feedback the CAA intends to proceed with its proposal but in a modified form. In addition to re-labelling the Certificate, changes will be made to the text so that the ATOL protection messages match those on the Certificate for Single-contract Package sales and are relevant to all ATOL protected consumers whether they depart from the UK or any other EU Member State. ATOL holders selling Multi-contract Packages will have the option to issue a 2-page ATOL Certificate which, like the former Flight-Plus ATOL Certificate, includes a table in which they can list the travel service suppliers along with the relevant booking references and prices. Alternatively, ATOL holders can issue a 1-page Certificate if they so wish which, like the current Package Certificate, will include a brief description of the package being sold. The reason for this is that, from 1 July 2018, all package organisers must also issue a Confirmation as required by ATOL Standard Terms 11 and 12, regardless of how the package is constructed.

### Package ATOL Certificate

The CAA has also determined to make some minor additional changes to the Package ATOL Certificate. This will include changes to the protection messages as mentioned above, renaming the Regulations, including an updated telephone number and specifying that it is a Single-contract Package. This is to enable the CAA to issue clearer messages to the customers of failed ATOL holders as to the arrangements that will apply in their case.

As already indicated, the CAA may introduce future changes to both types of package certificate to create more uniformity between the two. This could include a requirement for both types of package ATOL Certificate to contain the same contractual information that must be given to consumers when their contract is concluded. (Some of this is currently contained in the Confirmation, which must be issued for Multi-contract Packages as well as Single-contract Packages from 1 July 2018). This change would mean that consumers could refer to just one document to see what they have booked and how it is protected.

Any such changes could coincide with the launch of online ATOL Certificates, although whether this will proceed is yet to be determined pending the outcome of the feasibility study.

### **Flight-Only ATOL Certificates**

The consultation proposed that the CAA would remove the warning on this certificate that refunds are not provided for flights if these were sold as part of a holiday on an agent for consumer basis, because agent for consumer sales will become licensable. The CAA will proceed with this change, but intends to replace the warning with a different warning to alert consumers booking Linked Travel Arrangements including an ATOL protected Seat-Only that ATOL protection applies only to their flight and not to other components sold alongside it. This is to mitigate the risk that consumers believe that the ATOL protection is broader than in fact it is.

Where an ATOL Seat-Only forms part of another ATOL holder's package, the ATT will continue to require the package organiser to replace the flight, in line with their PTR obligations, whether that is a Multi-contract Package or Single-contract Package. Similarly, the ATT will continue to offer repatriation protection for all Seat-Only sales, in order to enable the CAA to mount effective rescue operations.

The consultation also proposed to apply the current policy of awarding ATT Contributions to Flight-Plus arrangers which used another ATOL holder's protected Seat-Only product, in respect of the organisers of Multi-contract Packages. However the purpose of that policy was to incentivise businesses to sell protected products rather than unprotected "agent for the consumer" products, whereas it has now been confirmed that agent for the consumer sales will be unambiguously licensable in future. This means that when Flight-Plus transactions and the ability to act as a Flight-Plus arranger cease on 1 July so too will ATT Contributions<sup>2</sup>. ATT Contributions, like the restriction on refunds on agent for consumer holidays, were devised to tackle the objective of incentivising protected Seat-Only sales within ATOL. Because these sales will become licensable, the rationale for those incentives has ended. Moreover, while there were differences between the responsibilities of package organisers and Flight-Plus arrangers, package organisers will have the same obligation to perform the package contract whether they choose to construct it on a Single

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<sup>2</sup> The Trustees will still meet valid ATT Contribution claims for bookings made before 1 July 2018

contract or Multi-contract basis. This being the case it seems equitable for both to bear equal responsibility for the failure of their suppliers.

## **Other implementation issues**

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### **Businesses established in the EEA (non-UK)**

The CAA had proposed that it would no longer licence businesses that were exempt because they were established in an EEA country other than the UK. There was a majority of support but also some opposition, and some respondents expressed concerns.

Concern was expressed that some non-UK protection systems were less effective than ATOL and reducing businesses' ability in this way to sell in the UK under ATOL would expose more consumers to the risk of ineffective protection, as well as compounding consumer confusion as to how and by whom UK consumers were protected. It could also be seen as unfair that whereas EEA (non-UK) organisers would not be able to hold an ATOL, organisers in the rest of the world would be both able and obliged to do so, and this could be seen as discriminatory.

The CAA sees the force in these arguments. Although many EEA countries have long-standing and effective protection systems, previous experiences such as the insolvency of Low Cost Holidays suggested that the arrangements in force then were not effective. It is also fair to say that ATOL has a high degree of public recognition in the UK market.

However we have decided to implement this measure as proposed. The proposal is consistent with the single market character of the Services Directive and the Package Travel Directive, and it also removes a long-standing anomaly by which the CAA was licensing businesses that were, in law, exempt from licensing. We also note that it is open to any business to relocate enough of its business to the UK to pass the threshold to be considered as established in the UK for these purposes.

We have therefore decided that we shall not renew the ATOLs of businesses that are established in EEA countries other than the UK when those licences expire at the end either of September 2018 or March 2019.

### **Transitional arrangements**

#### **New package definition and current Flight-Plus sales**

There was material support for this proposal and no opposition. We have therefore decided the following.

- We will accept existing Flight-Plus authorisations as package authorisations for the remaining duration of each ATOL that is in force as this document is published – that is, until either September 2018 or March 2019. We require ATOL holders to continue paying APCs on those bookings.



- However, where the regulatory changes lead to an increase in the overall volume of protected business, we require ATOL holders to vary licences as normal.

### **UK-established ATOL holders selling into the EEA**

There was material support for this proposal and no opposition. We have therefore decided the following.

- We will not require licensing of sales made by UK-established businesses selling into the EEA where we have confirmation that a legitimate provider of insolvency protection will continue to cover those sales, for the remaining duration of licences now in force. When the licences come up for renewal (September 2018 or March 2019), we will require those seats to be licensed and protected under ATOL.

### **EEA-established businesses selling into the UK**

This was covered on page 16.

### **Legal change to the definition of “consumer”**

The proposal was that the ATT Regulations needed to be changed to encompass the concept and use of the word “traveller”, for consistency with the PTD. There was support for this proposal and no opposition. We have advised the DfT of this and we expect them to amend the definition of “consumer” in Regulation 2(1) of the Civil Aviation (Contribution to the Air Travel Trust) Regulations 2007 (as amended) accordingly.

### **Annual Accountants’ Report – disclosure to professional accountancy bodies**

The proposal was that ATOL holders’ required consents should be adjusted to enable the CAA to share Annual Accountants’ Reports (AARs: see glossary) with the ATOL Reporting Accountant’s (ARA: see glossary) professional accountancy body, to assist in their assessment of the continuing designation of ARAs. This measure was generally supported, though with advice and/or reservations regarding the confidentiality of the data involved. The CAA has decided to proceed with this proposal and will incorporate the necessary notices into the Annual Accountants’ Report forms, specifying that the information is to be used for the sole purpose of assessing the continuing designation of the ATOL Reporting Accountant who completed the report.

### **ATOL Regulations business travel exemption – CAA terms**

ATOL Regulation 10 (1) (h) exempts from the need to hold an ATOL persons who are making available flight accommodation under a general business travel agreement which includes any current terms that have been published by the CAA.

A number of respondents commented on this possibility in their responses to the CAA’s proposal to remove ATOL Exemption 05/2013 (Corporate Sales), to the effect either that the CAA should not impose any such terms, or that it should consult first.

The regulatory power is permissive rather than mandatory, so while the CAA may publish such terms it is not obliged to do so. Although we regard the powers as a useful potential source of mitigation if the new regulatory exemption leads to consumer detriment, we do not yet see a case for making restrictions. We have therefore decided to publish no requirements in this regard, but would expect to review the situation in the light of experience.

## Chapter 2

## Proposal to introduce online ATOL Certificates

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The responses to the proposal for an online ATOL Certificate system were balanced more or less equally between support and opposition. Some respondents also offered comments and ideas without expressing a set position.

Concerns expressed included data protection and cost (both to build and for ATOL holders to use it). Some respondents saw the benefits, but were not convinced that the scale of the benefits outweighed the costs. Concern was also expressed about the implications for consumers with no internet access. A few respondents were critical of a proposal that reflected the CAA becoming too intrusive into the running of ATOL holders' businesses.

The project is still undergoing a feasibility study, and the results of the consultation have been passed to the team conducting the work. The feasibility study is expected to conclude in June, and the CAA and the ATT will decide, in the light of the study outcome, what steps to take next.

## Chapter 3

## A proportionate approach to enforcing ATOL compliance

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As set out in CAA's and DfT's consultation documents, the DfT has proposed to introduce legislation in early 2019 to give the CAA powers to impose civil sanctions. The substantial consultation question was posed in DfT's consultation document<sup>3</sup> and the prospects for this proposal were covered in DfT's response.

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<sup>3</sup> "Updating consumer protection in the package travel sector", February 2018

## APPENDIX A

## Abbreviations and glossary

Abbreviations and glossary	
AAR	Annual Accountants' Report – a report produced by an ARA covering a specified set of ATOL holders' regulatory returns to the CAA.
ABST	Accredited Body standard term – a requirement that the CAA requires Accredited Bodies to meet, similar to licence terms.
APC	ATOL Protection Contribution
APC Regulations	Civil Aviation (Contributions to the Air Travel Trust) Regulations 2007 require ATOL holders to pay the APC for every protected consumer to the Air Travel Trust.
ARA	ATOL Reporting Accountant – an accountant designated by a professional accountancy body as qualified to produce AARs.
AST	ATOL standard term – a term on an ATOL applicable to all ATOL holders, with legal force.
ATOL	Air Travel Organiser's Licence
ATT	Air Travel Trust. A legally constituted trust created by the Secretary of State for Transport to hold funds used to provide repatriation and refunds to the customers of failed ATOL holders.
BEIS	Department for Business, Enterprise, Innovation and Skills – the sponsoring Department for the Package Travel Directive.
CAA	Civil Aviation Authority
Consumer Protection Regulations	The Consumer Protection from Unfair Trading Regulations 2008, also referred to as the CPRs, implement the Unfair Commercial Practices Directive (UCPD) which is designed to harmonise the legislation across the European Union preventing business practices that are unfair or misleading to consumers.
DfT	Department for Transport
EEA	The European Economic Area (EEA) was created in 1994. It unites EU Member States along with Iceland, Liechtenstein, and Norway into the European Single Market which provides for the free movement of persons, goods, services and capital.
LTA	Linked Travel Arrangement. A new legislative form of travel sale comprising two travel components, both intended for the same trip, but the sale of which was more loosely linked than in a package.

<b>Abbreviations and glossary</b>	
ORS3	Official Record Series 3. A document published by the CAA setting out legal requirements and notifications made by the CAA regarding ATOL, such as standard licence terms and exemptions. Where Regulations state that the CAA has the power to publish requirements, publication is typically in ORS3 and its terms have legal force.
PTD	Package Travel Directive. A European directive, requiring EU Member States to legislate to implement its provisions. The Directive on Package Travel 2015 will be superseded in law on 1 July 2018 by the Directive on Package Travel and Linked Travel Arrangements 2015.
PCW	Price comparison website – a website which enables consumers to enter travel and/or holiday requirements, and then presents them with a selection of suppliers that can meet those requirements. The PCW typically does not sell travel but directs the consumer to the website of any supplier the consumer chooses.
PTR	Package Travel and Linked Travel Arrangements Regulations 2018 – the main vehicle for implementing the Package Travel Directive in the UK. Sponsored by BEIS, they implement all but insolvency protection for air packages, which is covered by ATOL. These supersede the previous Package Travel, Package Holidays and Package Tours Regulations 1992.

**APPENDIX B****Summary of changed requirements**

The following table summarises new or changed requirements and who is affected by them.

<b>Summary of change</b>	<b>Implemented by:</b>	<b>Date</b>	<b>Affects</b>
ATOL protection disclosures	ATOL standard terms 1 and 6	1 April 2019	ATOL holders
Improved consumer information disclosures	ATOL standard term 1	1 April 2019	ATOL holders, agents, price comparison websites
Securing flights	ATOL standard terms 1 and 6	tba	ATOL holders
Changed reporting period for SBAs	ATOL standard term 3	6 July 2018	SBAs
New requirement to provide AARs	ATOL standard term 3	6 July 2018	Franchise ATOL holders <5m licensable turnover
Longer allowed period to produce AARs	ATOL standard term 3	6 July 2018	ATOL holders
Redrafted requirement to report material changes to the CAA	ATOL standard term 4	6 July 2018	ATOL holders
Adaptation of the means of implementing required agency terms for EEA agent sales	ATOL standard term 6	6 July 2018	ATOL holders, agents established in the EEA selling ATOL protected packages.
Removal of the contents of ATOL standard term 1 from required agency terms	Agency term 2.1	6 July 2018	ATOL holders selling through agents
Clarification that agents must ensure that consumers receive an ATOL Certificate, regardless of who	Agency term 6	6 July 2018	ATOL holders and their agents

Summary of change	Implemented by:	Date	Affects
produced it.			
A new allowance of 3 months in which to make changes to agency terms.	Agency term 11	6 July 2018	ATOL holders and their agents
Removal of the content of ATOL standard term 1 from the schedule of Accredited Body standard terms	Accredited Body Standard Term 17	6 July 2018	Accredited Bodies
New forms of ATOL Certificate	ORS3 Section 1.3	6 July 2018	ATOL holders, booking system suppliers
CAA acceptance of Flight-Plus authorisations as Multi-contract Package authorisations.	n/a	Till end of current licence, ie September 2018 or March 2019 as appropriate	ATOL holders authorised for Flight-Plus sales
CAA acceptance of non-UK EEA package protection arrangements	n/a	Till end of current licence, ie September 2018 or March 2019 as appropriate	ATOL holders established in EEA countries other than the UK.
Consent for CAA to show AARs to relevant PAB.	Standard consents on ATOL application form	6 July 2018	ATOL holders