We’re All Going on Summer Holiday – but Make Sure it’s ATOL Protected: UK's Air Travel Organisers' Licensing

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The decorations are down, the last of the Quality Street has been consumed and the New Year’s resolutions are a distant (and perhaps failed) memory......suddenly the dreary weather leads to thoughts of sunshine and distant shores. Travel companies have dubbed the first Saturday in January ‘Sunshine Saturday’ as many holidaymakers plot their escape during the hardest month of the year. It certainly seems to be sunny for travel company TUI Group this year who reported that more than 27,500 customers in the UK booked their annual holiday with them on 7 January 2017. Erik Freimuth, Chief Marketing Officer of TUI Group, has reported that ‘many families use the Christmas break and the beginning of the new year to make their travel plans for the whole year. There could also be a psychological explanation for this post-festive season booking pattern: the cosy Christmas period is over, people have to return to work while the sky is grey. This is when the winter blues kick in. A way to escape is to think of sunshine and beaches – and book a summer holiday’.

However, January certainly isn’t a flush time for many who are having to tighten their belts after the December splurge – as can be seen from our recent blog ‘Christmas on Credit’, the post-festive period can be a tough time for some with personal insolvencies on the rise. Online statistics suggest that whilst 13% of
people purchase their getaway using savings, almost 10% of people pay for a holiday on a credit card or take out a short term or pay day loan to cover the payment. Even for those who can’t strictly afford it, the January deals can be very tempting with fierce competition between travel agents promising special deals and discounts, especially for those restricted to travel during school holidays.

Note that despite the success of certain travel operators, holidaymakers should exercise caution when booking early deals. The first casualty of 2017 was ‘All Leisure Holidays’, which went into administration in January with 400 customers abroad. Thankfully, all holidaymakers abroad at the time were repatriated by the Civil Aviation Authority ("CAA") under the Air Travel Organisers' Licensing (ATOL) protection scheme which ensures customers can return home and be refunded if a travel company becomes insolvent.

Not all holidaymakers are so lucky. Some travellers were left stranded following the collapse of online travel agent ‘Lowcostholidays’ in July 2016, demonstrating the importance of ensuring a booking comes with ATOL protection. In 2013, the CAA warned holidaymakers about booking with ‘Lowcostholidays’ after the company relocated to Spain, meaning that its holidays were no longer protected under the ATOL scheme. Fast forward to July 2016 when almost 140,000 holidaymakers who had booked through ‘Lowcostholidays’ found that they had little official protection when the firm went into administration. It was reported by the Independent that Paul Evans, Chief Executive of ‘Lowcostholidays’, warned more travel agents could collapse and that ‘Brexit, the fall in the value of the pound and fear of terrorist attacks helped scupper the rescue deal for the firm’.

With a vast number of tour operators including ‘Holidays4U’ ‘Aegaen Flights’ and ‘XL Airways’ having collapsed over recent years and even some of the larger known operators running into difficulties, travellers should always check their travel comes with the necessary protections, especially given the uncertainty of the current economic climate.

So, if you haven’t been caught by the allure of Sunshine Saturday just yet, when booking that all-important get away, make sure to opt for an ATOL/ABTA protected holiday and always take out a decent travel insurance policy. And remember your sun cream.

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