

Issued: 31 July 2014

Code of Conduct Annual Report 2013/2014

The Code of Conduct applies to all ABTA Members and is central to achieving ABTA's aims, in particular delivering higher standards for customers and building confidence in travel.

The Code delivers higher standards as it guides Members towards best practice. ABTA actively monitors compliance and provides advice to Members on how to comply and this leads to improvements in standards. The Code builds confidence as enforcement action is taken where necessary following receipt of a complaint.

This report presents the facts and figures for both code enforcement and code monitoring for the past year (1 July 2013 to 30 June 2014).

The current version of the Code was issued on 31 January 2013.

Contents

1. Code Enforcement
 - a. Consumer Queries and Complaints
 - b. Top Ten Complaint Categories
 - c. ABTA's consumer role
 - d. Code of Conduct Referrals
 - e. Fixed Penalty Offences
 - f. Undertakings
 - g. The Code of Conduct Committee
 - h. The Appeal Board
2. Code Monitoring
 - a. Liability Insurance
 - b. Advertising

For information on ABTA and to view the Code and its Guidance, please go to www.abta.com

Key: figures in brackets are last year's figures.

1. Code enforcement

Consumer Queries and Complaints

Over the last year ABTA opened 10,234 (10,831) cases in relation to consumer issues concerning its Members. The vast majority of these are resolved through discussion with the Member. Some cases will lead to arbitration in order to resolve the client's complaint; this year there were 252 arbitration cases. Some of the cases will lead to enforcement action under the Code; this year 79 issues were dealt with through formal Code action.

Top Ten Complaint Categories

1.	Poor accommodation	1,629
2.	Misleading advice or advertising	1,194
3.	Change of accommodation	425
4.	Service offered by travel agent or tour operator	364
5.	Cruise	336
6.	Complaint about a non-Member	309
7.	Flight delay	303
8.	Refund	298
9.	Cancellation by Client	289
10.	Building Works	259

ABTA's consumer role

ABTA provides guidance and information to consumers and in some cases might be able to assist in resolving the complaint, but its main role is to advise consumers on the options open to them to settle their disputes. If the consumer has been unable to resolve the complaint with the Member, then ABTA can offer an independently-run arbitration scheme. The scheme is provided by CEDR Solve.

The vast majority of cases are amicably resolved. This year there were 252 (246) cases that were the subject of an arbitration award. This represents 2.5% of all complaints received during this period.

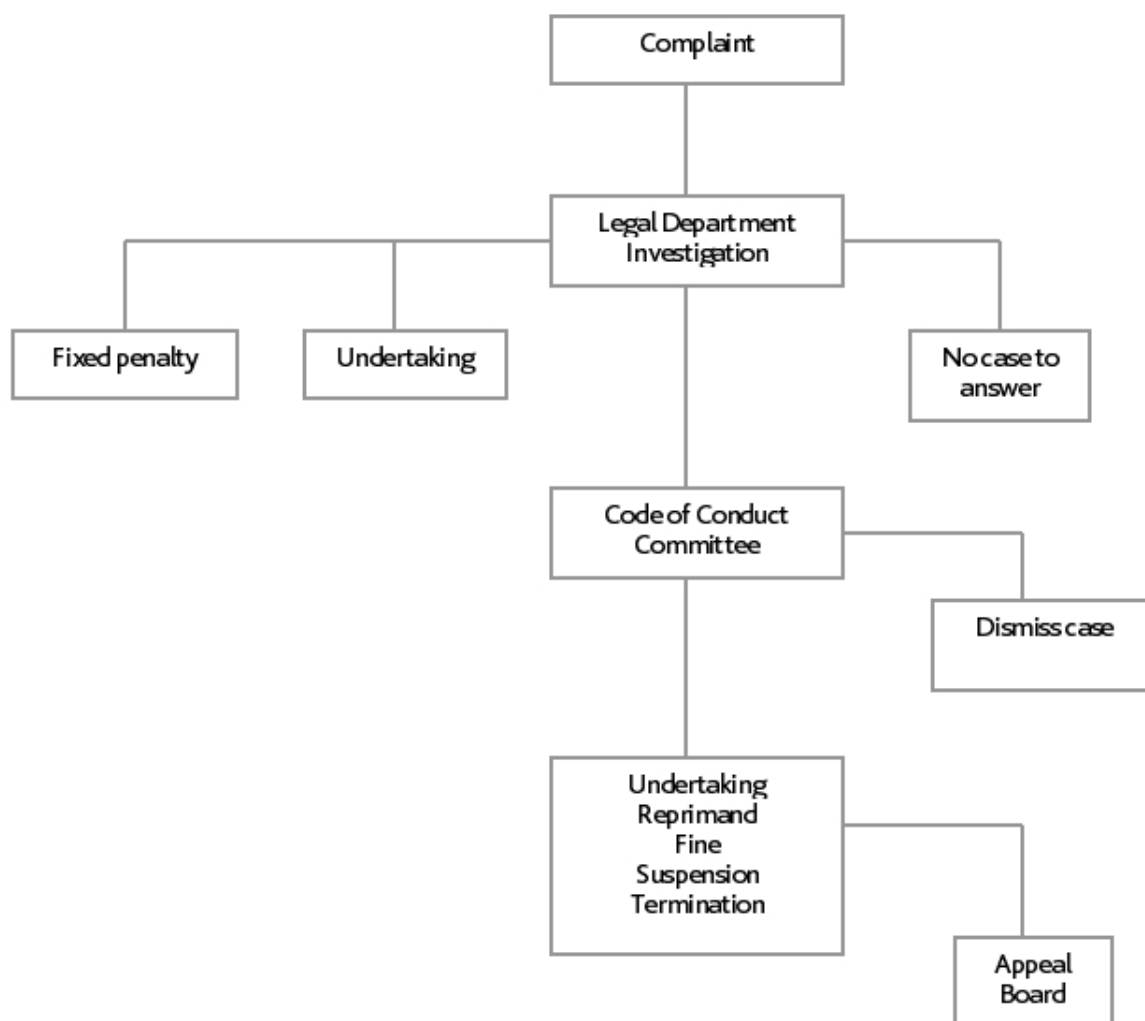
155 (152) arbitrations have been found in favour of the applicants and 97 (97) in favour of the Member, which represents a 61.5% (62 %) success rate for the consumer.

ABTA Consumer Advisers also consider consumer complaints with a view to the Code of Conduct. Any cases which they believe show a possible breach of the Code will be referred to the code investigator.

Code of Conduct referrals

During the past year, 372 (298) files were investigated under the Code of Conduct. These files come from the ABTA Consumer Advisers, Members, suppliers to Members and ABTA's code monitoring. At the end of the investigation process, the referrer will be notified of the outcome, including the consumer that originally raised the complaint.

Following investigation with the Member that is the subject of the complaint, there are a number of different ways a Code case can be dealt with as this diagram illustrates:



Fixed Penalty offences

13 clauses of the Code are relatively straightforward and breaches of these clauses can be dealt with by ABTA issuing a Fixed Penalty Notice. This requires the Member to pay a fine of £400 and no further action will be taken.

This year, 21 (8) were issued.

Fixed Penalty Notices issued:

- 6 for a breach of *5B Reply to correspondence from client*
- 13 for a breach of *5C Reply to correspondence from ABTA*
- 2 for a breach of *6H Client Refunds*

Of the 21 Fixed Penalty Notices that were issued, 5 (2) were referred to the Code of Conduct Committee for a hearing as the Member failed to pay. In all 5 cases the Committee increased the fine.

Undertakings

If the investigation has revealed a breach of the Code, the Member can be asked to give an undertaking about its future conduct and Code compliance, if this is thought to be a better way to deal with the breach than a Fixed Penalty fine or a referral to the Code of Conduct Committee.

If the Member doesn't want to give the undertaking the matter can be referred to the Committee for a hearing.

This year, 4 (5) undertakings were requested and 4 (5) were obtained, with no refusals.

Undertakings received for breaches of:

- *2B Ensure satisfactory booking procedures are followed (x2)*
- *2E Booking Conditions*
- *3A Cancellation by Principals*

A further 54 (31) alleged breaches of the Code that were not dealt with by way of Fixed Penalty Notice or Undertaking were referred to the Code of Conduct Committee for a hearing.

The Code of Conduct Committee

The Committee met on 5 (4) occasions during the period. On each occasion it comprised Members of ABTA, both tour operators and travel agents, and representatives of the Trading Standards Authorities.

During the 5 meetings the Committee considered 54 (31) alleged breaches. The Committee concluded that 44 (29) breaches had occurred. 89% (90%) of these breaches were dealt with by way of a fine and 11% by way of a reprimand.

The breaches were spread across all parts of the Code, as the following breakdown shows:

1. Before booking

Ensuring that clients have accurate information and that advertising doesn't mislead: 5 breaches.

2. Making the Booking

Issues such as meeting clients' requirements, ensuring satisfactory booking procedures and providing the correct documents to clients in good time: 8 breaches.

3. Between booking and travel

Cancellations and amendments: 12 breaches.

4. After departure

Changes whilst client on holiday: 0.

5. Communications

Dealing with complaints and complying with the rules of the ABTA arbitration scheme: 14 breaches.

6. General conduct

Standard of service, fair trading and obtaining liability insurance: 5 breaches.

The Appeal Board

Members have a right of appeal against decisions of the Code of Conduct Committee. Appeals are heard by an Appeal Board which is independent of the Committee. There is a fee of £100 plus VAT for each decision appealed against.

There were 0 (0) appeals during this period.

2. Code monitoring

Liability Insurance

This year, as in previous years, ABTA monitored Members' compliance with Clause 6I of the Code, which states that Members shall, if they are Principals, ensure that they obtain liability insurance to cover claims made by clients.

All Members selling as a Principal (803 Members) were contacted during the year to ensure that they complete and return a Liability Insurance Notification Form giving details of insurance cover.

If Members don't return the Form giving details of insurance cover, they will be considered for a fine under the Code. This year, 1 Member was fined by the Code of Conduct Committee. The company subsequently provided evidence of insurance cover, meaning that all principal Members had demonstrated compliance.

Advertising

This year, as in previous years, monitoring was carried out to make sure that Members' websites aren't misleading. Clause 1D of the Code requires that advertising must not contain anything that is likely to mislead the public. Clause 1E requires Members to show the current ABTA logo in advertising. The focus this year was on ABTA information and financial protection information.

The Business Support Team contacted all Members to request that they include a link on their websites to the ABTA website, to give consumers accurate information on what ABTA means and how it protects them, in basic terms. In relevant cases, where the Members sell travel arrangements that aren't financially protected, they have been required to link to this information on the ABTA website, or display a specific statement about financial protection. All Members have also been asked to ensure that they show the up-to-date ABTA logo.

Monitoring is ongoing and, where necessary, Members are being required to make changes to the information displayed on their websites.