EUROPEAN COMMISSION
HEALTH AND CONSUMERS DIRECTORATE-GENERAL

Consumer Affairs
Director

Brussels, 05. 04. 2013
SANCO/B6/JB/mt
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Dear Ms Crisigiovanni,
Dear Messrs de Halleux, Moreira and Ortega

Subject: Your letter of 20 March 2013

Thank you for the mail you have sent to Ms. Michou, Ms. Manfredi and myself on the necessity of the revision of the Package Travel Directive. My colleagues from the Directorate-General for Justice, who are in charge of this file, will provide you with a more detailed reply in the coming days.

I would like to thank you for sharing the findings of your joint survey on 'holiday and travel' conducted in Belgium, Spain, Italy and Portugal. These can provide valuable additional data which may prove useful in our on-going work on the topic.

Yours sincerely,

Despina Spanou

Cc: Ms P. Michou (DG JUST).

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Altroconsumo
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Mr Moreira
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Ms. Paraskevi Michou
Director General , DG JUST
European Commission

Ms. Veronica Manfredi
Head of the Unit for Consumer and Marketing Law
European Commission

Ms. Despina Spanou
Director of Consumer Affairs
DG SANCO

CC : Ms. Monique Goyens
Director General, BEUC

Brussels 20.03.2013

Dear Ms. Michou,
Dear Ms. Veronica Manfredi,
Dear Ms. Despina Spanou,

Re: Necessity of Revision on the Package Travel Directive

We write to you on behalf of four of the most widely representative consumer associations in Europe (together we represent approximately 1.2 million European households): Test-Achats (Belgium), DECO (Portugal), OCU (Spain) and Altroconsumo (Italy).

In March 2013, we completed an extensive joint survey on 'holiday and travel' conducted in Belgium, Spain, Italy and Portugal. Our investigations were carried out online and by postal survey. In total, we received 15,105 responses from consumers. Some of the results were published in our March issue of our magazines: *Test-Achats* OCU *Compra Maestra*, *Altrocunsumo* and DECO *Proteste*.

We wish to share some of our key findings with the European Commission, those we think are very relevant in the ongoing discussion on the revision of the Package Travel Directive.

The results of our survey show that 'traditional' holiday packages (i.e. pre-arranged and collectively booked) remain a very popular product. This fact is more pronounced for the generation of 60+ years, but is also applicable for other age groups. We found that 'dynamic package travel' is not supplanting these traditional travel packages.

Moreover, the outcome of the survey indicates that though traditional packages are still commonplace, there is a clear trend to buy and sell travel in ways not covered by European package travel laws.

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We also observed that the frequency of problems experienced with traditional packages is not statistically different from problems with tailor-made packages or online travel service combinations ('click-through' bookings).

Finally, we also discovered that travel agencies remain the main point of sale (two thirds of packaged holidays). The role of the internet in buying travel products is not prevalent; this is true when buying 'pre-arranged packages' and also 'tailor-made travel packages'. However, on the contrary we notice that the use of the internet for the sale of stand-alone travel services is clearly prevalent.
Test-Achats, DECO, OCU and Altroconsumo fully support the conclusion reached by the European Consumer Consultative Group (ECCG) in their two opinions on the subject of this revision and also by the European Consumer Organisation (BEUC) in its recent position[1].

This Directive is no longer suited to modern ways and means in which holiday and travel products are sold and purchased. The scope of the new Directive should expressly cover the sale of dynamic packages and the online combination of travel services (click-through transactions), be it from the same website or involving linked websites. In particular, airlines who offer online combinations of travel services should be expressly included within the new framework. The new Directive could distribute a system of liabilities depending on the travel product in question and by taking due account of consumers' expectations.

Therefore, we urge the Commission to urgently propose a review of the Package Travel Directive by extending its scope to cover the widest possible number of different travel products, irrespective of the channel of distribution or sale.

We would be grateful if we could receive an indication from the European Commission of which actions will be taken in regard to our concerns.

Yours sincerely,

David Ortega
OCU, Head of European Public
Affairs and Competition

Luisa Crisigiovanni
Altroconsumo, Direttore
Associazione

Pedro Moreira, Membro
da Direção da DECO

Gilles de Halleux
Test-Achats / Test-Aankoop
EU Public Affairs Adviser

Enclosed: Survey on 'holiday and travel' conducted by Test-Achats, DECO, OCU and Altrocunsumo.

1 - ECCG opinion of 21 April 2010 on the review of the Package Travel Directive
- ECCG opinion of 8th February 2013 on the revision of the Directive on Package Travel
- Public consultation on the Package Travel Directive – Response by BEUC (X/2010/008)

ALTROCONSUMO Il tuo punto di forza — TEST aankoop / TEST achats — OCU — DECO

March 2013

Synopsis - Survey on 'holiday and travel'
conducted by Test-Achats, DECO, OCU and Altroconsumo

1. Methodology of the survey

The respondents were asked about the three latest travel trips they booked during the previous three years and how they made the bookings. They were given the choices:

- "by going physically to a travel agency";
- "by way of an internet booking";
- "by way of a telephone booking".

This information was classified according to the type of travel product bought:

- "package holiday";
- "tailor-made travel package";
- "I booked everything myself".

The trips labelled 'package holidays' in our survey, are those fully covered by the Package Travel Directive 90/314/EEC as implemented by the national legislation. The trips belonging to 'tailor-made travel package', correspond to the definition of a 'Dynamic Package' as adopted by the London Economics[2]. 'Dynamic packages' suppose the active intervention of a retailer who puts together the different elements of the package following the specifications of the consumer - these fall under the protection of the Directive as stated by the European Court of Justice in the *Club Tour* case[3].

As regards the third category ("I booked everything myself"), consumers buy each of the separate components independently and separate billings might be issued by several different companies or separate components are proposed for sale by one or more on line platforms, acting as intermediaries (these could qualify as "click-through"[4] contracts). Most of the travel arrangements belonging to this third category would not be covered by the Package Travel Directive.

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[2] London (AGAIN CHECK?) Economics, 'Study on Consumer. Detriment in the area of Dynamic Packages. Final report to the European. Commission – DG Health and Consumers', 12 November 2009.
[3] ECJ, Case 400/00, *Club Tour*.
[4] Combination of different travel services bought by the consumer through two or more web sites commercially linked in some way

2. Sales channel (physical travel agency/internet)

The results of our survey indicate that the role of the internet in the sale of travel trips is still not prevalent not only for traditional packages (i.e. 'pre-arranged package holidays'), but also for 'tailor-made travel packages'. Considering all countries together, for each 'package holiday' bought online, there are on average two similar packages bought at a physical travel agency (7 out of 10 traditional packages were bought in a physical travel agency). However, regarding combinations of services arranged by the consumer himself ("no package"), we noticed that two thirds of transactions are made on the internet.

Table 1. Travel services by sales channel and type of travel arrangement

Country	Sales channel		Type of travel arrangement		
			Traditional package	**Tailor-made package**	***No package*** *(all arranged by me)*
Belgium	Physical travel agency	%	60,4%	66,2%	10,5%
	On the internet	%	33,8%	27,4%	76,6%
	By telephone	%	5,7%	6,3%	12,9%
Total		***Count***	***2217***	***838***	***2863***
Italy	Physical travel agency	%	67,9%	49,9%	5,5%
	On the internet	%	26,5%	40,1%	75,0%
	By telephone	%	5,6%	10,0%	19,4%
Total		***Count***	***2354***	***1520***	***8222***
Portugal	Physical travel agency	%	68,4%	48,7%	11,2%
	On the internet	%	20,7%	40,9%	74,0%
	By telephone	%	10,9%	10,4%	14,9%
Total		***Count***	***623***	***345***	***954***
Spain	Physical travel agency	%	84,7%	74,5%	19,3%
	On the internet	%	13,7%	23,5%	69,8%
	By telephone	%	1,7%	2,0%	10,9%
Total		***Count***	***502***	***306***	***2197***

Base: holidays in the last three years

3. Type of travel arrangement (package holidays, tailor-made packages and 'all arranged by me')

3.1. General trend

Our results show that traditional package holidays (pre-arranged) are still relevant in terms of market penetration, accounting for one third of holiday trips in Belgium (37.5%) and Portugal (32.4 %). In Italy and Spain, the proportion is lesser, but still significant (19.5% in Italy and 16.5% in Spain).

When we added up the tailor-made travel packages arranged with the help of an intermediary, it appears that the total number of traditionally arranged packages is even more significant. In Belgium and Portugal the respondents mentioned that half of their holidays belonged in part to package holidays (traditional package & tailor-made package) as against one third in Italy (32.10%) and a quarter in Spain (26.90%).

Moreover, the results of the survey show that even though traditional packages are still relevant, there is a clear trend to buy and sell travel in ways not covered by EU package travel laws. In particular, in Spain and Italy the proportion of consumers arranging travel by themselves is significantly higher than those relying on traditional packages.

Table 2. Types of holiday or travel trips by countries

Belgium	Traditional package	%	37,50%	51.70%	Traditional package + Tailor made package
	Tailor-made package	%	14,20%		
	No package (all arranged by me)	%	48,30%		
Total		**Count**	**5918**		
Italy	Traditional package	%	19,50%	32.10%	Fixed package + Tailor made package
	Tailor-made package	%	12,60%		
	No package (all arranged by me)	%	67,90%		
Total		**Count**	**12096**		
Portugal	Traditional package	%	32,40%	50.30%	Fixed package + Tailor made package
	Tailor-made package	%	17,90%		
	No package (all arranged by me)	%	49,70%		
Total		**Count**	**1924**		
Spain	Traditional package	%	16,70%	26.90%	Fixed package + Tailor made package
	Tailor-made package	%	10,20%		
	No package (all arranged by me)	%	73,10%		
Total		**Count**	**3005**		

Base: holidays done in the last three years

3.2. Classification on the basis of three age categories

When considering the different age categories of respondents, there is an evident increase in the proportion of traditional packages bought in the category ‘60 years old or more’ (Table 2). In all age categories, traditional packages are somewhat less frequently purchased, but still very popular.

Moreover, we noticed that in all age categories and across all countries (in particular Spain and Italy) the percentage of consumers not protected by the package travel laws is very significant.

Table 3. Types of holiday or travel trips by age categories and country

Country	Channel of sale		Age		
			18-34	35-59	60 or more
Belgium	Traditional package	%	30.1%	36.4%	41.7%
	Tailor-made package	%	13.6%	13.9%	14.4%
	No package (all arranged by me)	%	53.6%	49.7%	43.9%
Total		***Count***	***558***	***2674***	***1519***
Italy	Traditional package	%	12.3%	18.0%	22.8%
	Tailor-made package	%	12.2%	11.3%	15.0%
	No package (all arranged by me)	%	75.5%	70.7%	60.1%
Total		***Count***	***730***	***5332***	***1900***
Portugal	Traditional package	%	23.2%	33.1%	44.9%
	Tailor-made package	%	13.4%	18.1%	20.5%
	No package (all arranged by me)	%	63.4%	48.7%	34.6%
Total		***Count***	***336***	***712***	***286***
Spain	Traditional package	%	10.5%	17.2%	27.0%
	Tailor-made package	%	9.7%	12.1%	11.6%
	No package (all arranged by me)	%	79.8%	70.8%	61.4%
Total		***Count***	***352***	***1265***	***319***

Base: holidays done in the last three years

4. Share of consumers affected by different problems (by type of travel arrangement)

Respondents were asked whether they have encountered problems or inconveniences within a list of predefined potential difficulties (displayed below).

On average, one sixth of respondents experienced one or some of the problems listed in our questions. Results show that the incidence rate of problems experienced with traditional packages is not statistically different from that of tailor-made packages. Most recurring problems are related to downgrades of services or downgrades of accommodation: 5 travellers out of 100 encountered these kind of problems.

LIST OF PROBLEMS	BELGIUM			ITALY			PORTUGAL			SPAIN			TOTAL			Average
	Traditional package	Tailor-made package	No package	Traditional package	Tailor-made package	No package	Traditional package	Tailor-made package	No package	Traditional package	Tailor-made package	No package	Traditional package	Tailor-made package	No package	
Inferior quality of accommodation	7,3%	7,0%	3,9%	3,4%	3,3%	1,5%	4,0%	1,9%	1,4%	5,5%	4,3%	1,6%	**4,7%**	**3,7%**	**1,8%**	**3,4%**
Downgrade in services	7,7%	6,5%	2,5%	3,6%	3,0%	1,3%	5,5%	1,3%	1,4%	4,8%	3,2%	1,5%	**5,0%**	**3,4%**	**1,4%**	**3,3%**
Delay on ontward journey (more than 2 hours)	5,0%	4,7%	1,8%	3,0%	2,5%	0,6%	2,9%	2,5%	1,0%	3,6%	5,9%	1,6%	**3,6%**	**3,2%**	**0,9%**	**2,6%**
Delay on backward journey (more than 2 hours)	5,2%	6,4%	1,9%	2,0%	1,8%	0,4%	4,0%	2,6%	0,6%	2,2%	3,9%	0,7%	**3,1%**	**2,9%**	**0,6%**	**2,2%**
Downgrade in room (no view, ...)	5,1%	3,9%	1,4%	0,9%	1,2%	0,3%	3,6%	0,8%	0,6%	1,7%	2,8%	0,8%	**2,4%**	**1,7%**	**0,5%**	**1,5%**
Disturbance caused by refurbishment work	4,1%	1,6%	1,2%	1,1%	0,7%	0,3%	3,6%	1,3%	0,7%	1,5%	0,8%	0,5%	**2,2%**	**0,9%**	**0,5%**	**1,2%**
Exclusion clauses rule (services not included,...)	5,3%	4,5%	1,9%	0,6%	0,6%	0,1%	0,5%	0,3%	0,2%	0,7%	0,4%	0,5%	**1,9%**	**1,2%**	**0,4%**	**1,2%**
Late price revision (less than 20 days before leaving)	1,7%	0,7%	0,4%	1,0%	0,7%	0,1%	0,2%	0,0%	0,0%	1,0%	0,8%	0,3%	**1,0%**	**0,6%**	**0,1%**	**0,6%**
Medical expenses not covered by insurance	1,4%	0,5%	0,2%	0,3%	0,4%	0,0%	2,2%	1,0%	0,1%	1,4%	0,4%	0,1%	**0,9%**	**0,5%**	**0,1%**	**0,5%**
Excessive price revision (more than 10 %)	1,5%	0,5%	0,2%	0,4%	0,4%	0,1%	0,2%	0,3%	0,5%	1,2%	0,0%	0,3%	**0,8%**	**0,4%**	**0,2%**	**0,5%**
Voucher not valid	0,6%	1,2%	0,2%	0,2%	0,2%	0,1%	0,7%	0,3%	0,0%	0,2%	0,4%	0,1%	**0,3%**	**0,4%**	**0,1%**	**0,3%**
Total of population affected by the list of problems during the last three years	**44,9%**	**37,5%**	**15,6%**	**16,5%**	**14,8%**	**4,8%**	**27,4%**	**12,3%**	**6,5%**	**23,8%**	**22,9%**	**8,0%**	**25,9%**	**18,9%**	**6,6%**	**17,1%**

Base: holidays done in the last three years