Dear Sirs,

We are writing to you with our response to the request for information in your Open Consultation document: 'Package Travel – updating the framework'.

We attach our responses to the questions posed. However, there is more to be said and this letter forms part of our submission. The consultation focuses on the demands of badly run businesses, rather than the needs of the consumer. It tinkers at the margins and fails to address the critical issue of financial regulation.

Metaphorically, you are asking the fox how they would like the chickens kept…

As stated, many times over decades, to both government and the Civil Aviation Authority, the only secure (and indeed low-cost) way to safeguard Client money is to prohibit companies from spending it before they have earned it, be that in Trust or Escrow. This is the minimum legal requirement in every other industry. Indeed, the Digital Markets, Competition and Consumers Act in 2024 gave protection to pipeline money, bizarrely with an exclusion for Travel, despite Travel being the most insecure industry of all.

The history of ATOL's ATT shows **that bonds invariably prove inadequate** when companies fail. Thomas Cook had a £1M bond and cost the travel industry and the tax payer hundreds of Millions.

Insurance is only as good as the amount of cover purchased and the small print. Thomas Cook's Tour Operator Liability Insurance was cheap and deficient due to an enormous excess. Again the tax-payer, the insurer of last resort, was on the hook. Where insurance is a part of the solution the policies must be carefully vetted.

Lawyers, financial advisors, accountants, banks, estate agents, funeral directors and bookmakers are mandated to safeguard Client money, why not the profligate travel industry?

It is irrelevant whether the money entrusted to Travel Organisers is for ATOL or non-ATOL packages. They should be treated in the same manner and administered by the same body. One simple regime for the consumer who are largely ignored in both this and the ATOL consultation. There appears to be no body policing adherence to the PTR's for packages outside of ATOL and this consultation is silent on that issue.

It is absurd to have separate consultations for the PTR's and ATOL as they are intrinsically linked.

As well as side stepping critical issues your consultation also considers lowering the bar further, to the detriment of consumers.

Trailfinders, safeguards all Client money in Trust until their travel is completed and is living proof of concept that such an approach is profitable without the need to misappropriate Client money, or asking the tax-payer to cover risk.

The idea to deregulate insurance protection is especially ill considered as it cannot be policed. The Chartered Trading Standards Institute said: ‘CTSI opposes any attempt to allow overseas insurers to provide this cover as, when problems occur, enforcing insolvency protection requirements against insurers based outside the UK would be difficult. “Only a company that is Financial Conduct Authority (FCA) regulated and registered at Companies House can be checked adequately by enforcement.” They argued there would be “even more risk” if an overseas insurer was “unwilling or unable to step in at the point of [a travel organiser’s] failure” and urged: “This idea should be rejected.’

We would urge you to engage in long term solutions to address the fundamental problems in financial protection in travel rather than trying to trim corners.

We wait in expectation for a reply.

Yours faithfully

Toby Kelly

CEO

CC Sir Michael Gooley CBE, Founder and Executive Chairman, Trailfinders

John O’Dowd, Legal and Regulatory Director, Trailfinders