

# THE FACTS ON REFUNDS FOR TRAVEL AGENT CUSTOMERS

## Important Information for Consumers

The Australian Federation of Travel Agents (AFTA) is supporting the travel agency community, travelling public and travel suppliers during this COVID-19 pandemic.

Due to the coronavirus (COVID-19) and government restrictions imposed on the population and travel, travel agents are experiencing an unprecedented volume of enquiries to change or cancel travel plans.

We ask for your patience at this time, as your agent does their utmost best to manage an incredibly high level of requests, including yours.

### AGENTS

Travel agents act as agents. When you make a booking, in almost all circumstances, the funds are transferred to the supplier and not held by the travel agent.

**When you cancel a booking, the supplier, not the agent, determines whether you receive a credit or a refund depending on the terms and conditions of purchase.**

If a refund is applicable, the agent has to wait for that money to be paid back to the agent before the agent is in a position to pass the money back to the consumer. If the end supplier is offering a credit, the agent is only in a position to offer a credit.



### DELAYS

Many airlines, cruise, tour companies and hotels, in normal circumstances, take up to 12 weeks to process refunds. If applicable, travel agents will pass on the refund to you as soon as they have received the funds back from the supplier. In the current environment, there are clearly significant delays on top of this.

These delays are not the fault of the travel agent but are due to government imposed restrictions. Travel agents are facing an incredibly high level of requests and please understand that they are doing all they can in the face of this pandemic to service consumers as best they are able.

### ARE CANCELLATION/SERVICE FEES ALLOWED?

Yes. The ACCC has advised that if your travel is cancelled due to government restrictions, this changes your rights under the consumer guarantees. The terms and conditions of your contract will determine what cancellation/service fees may be applied. This may also include any 'force majeure' clause which may limit liability or detail what is to occur in such circumstances.

If this is not stipulated, the pandemic may give rise to what is called a 'frustrated contract' at common law or under legislation in some States. This allows 'reasonable expenses' to be deducted.

Travel agents, like everyone else, deserve to be paid for work that they do especially in situations like this which are not of

their making and which are considerably more complex and time consuming than normal.

Travel agents make their revenue when they make the booking and the customer takes the travel, they do not receive revenue from suppliers for cancellations.

The COVID-19 pandemic has presented a very difficult set of circumstances for both travel agents and their customers. In some circumstances travel agents will charge a fee for the work being done to cancel or re-arrange bookings. It is both fair and reasonable that travel agents are paid for the work they undertake and in order to operate their business.