

Consultation Response

Which? response to the Department for Business and Trade consultation on
Package travel - updating the framework 2025

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Summary

Which? welcomes the opportunity to respond to the Department for Business and Trade (DBT) consultation on 'Package Travel - Updating the Framework 2025'.

On the basis of our experience of advising consumers and promoting good practice in the package travel sector¹, we would suggest that the changes to the Package Travel Regulations ('PTRs') proposed in this consultation are incompatible with the Government's stated intention to 'retain key safeguards of consumer protection that underpin the PTRs while making the most of the opportunity to reshape the regime, so it supports growth in the sector and greater consumer choice'.

Firstly, the fundamental aims and positive impact of the PTRs for consumers should not be weakened or undermined. The PTRs are not just a 'travel sector' measure, but also a key consumer protection enactment, as reflected in the new Digital Markets, Competition and Consumers Act 2024, including for the purposes of the enhanced consumer enforcement regime for public enforcers². Therefore it is fundamental that the government ensures that any changes to these important protections build on their primary objective to provide a high level of consumer protection, and effectively safeguard and empower UK travellers.

¹ See, for example, our [2024 survey of 'beach and resort' package travel providers](https://www.which.co.uk/policy-and-insight/article/trailfinders-tops-which-survey-of-best-beach-and-resort-package-holiday-providers-aSpNx1e271yy) - <https://www.which.co.uk/policy-and-insight/article/trailfinders-tops-which-survey-of-best-beach-and-resort-package-holiday-providers-aSpNx1e271yy>.

² See Schedule 15, Digital Markets, Competition and Consumers Act 2024.

And in order to realise the Government's intentions effectively, we believe that the evidence shows the pressing need for a more comprehensive exercise, including wider reforms to improve the enforcement of travellers' rights³. There is no case for rushed deregulatory measures through the use of powers under the Retained EU Law (Revocation and Reform) Act 2023 ('REUL' Act) or otherwise.

We nevertheless agree with the ultimate objective to simplify, update and streamline the Package Travel Regulations ('PTRs') where possible in the interests of consumers and businesses, and are responding to the questions below with that in mind.

1. Do you think that domestic-only arrangements that do not include travel should be exempt from the regulations?

a) Yes

b) No

c) I do not know

Which? firmly believes that statutory package travel protections should continue to apply to all domestic-only package holidays, including those that don't involve any travel component, to ensure consumers remain fully protected. This would ensure clear and consistent application of the rules and offer greater protection to consumers, particularly those who may not be able to afford international travel. It is important to recognise that some groups of consumers, such as senior citizens, vulnerable individuals, and those on lower incomes, may be disproportionately affected by these proposals, making inclusive and equitable protections all the more essential.

According to ABTA, between September 2022 and August 2023, 68% of consumers took a holiday in the UK, compared with 52% abroad⁴. Consumer research that we conducted in 2023 on travel protections⁵ shows that consumers believe that the same problems can arise on holidays in the UK as those that take place abroad, and that the package organiser's responsibility

³ We set out in full our view of the necessary reforms in aviation and package travel in our 2022 report, '[Final boarding call](https://www.which.co.uk/policy-and-insight/article/final-boarding-call-which-vision-for-consumer-reforms-in-the-aviation-and-package-holiday-sectors-aqQ6V5y4oDw7)' - <https://www.which.co.uk/policy-and-insight/article/final-boarding-call-which-vision-for-consumer-reforms-in-the-aviation-and-package-holiday-sectors-aqQ6V5y4oDw7>.

⁴ ABTA, '[Holiday Habits 2023-4](https://www.abta.com/sites/default/files/media/document/uploads/ABTA%20Holiday%20Habits%202023-24.pdf)', <https://www.abta.com/sites/default/files/media/document/uploads/ABTA%20Holiday%20Habits%202023-24.pdf>.

⁵

<https://www.which.co.uk/policy-and-insight/article/consumer-difficulty-navigating-the-complicated-landscape-of-holiday-protections-anXu65o9DZ1P>

towards consumers should not change depending on the holiday location, with some consumers raising concerns that this would create more confusion for travellers.

In addition, some respondents in our research pointed out that UK holidays can be just as expensive as foreign holidays, therefore it is important to have specific protections in place to safeguard these bookings⁶. In fact, the latest data from Statista shows that the average spend on ‘staycations’ has recently doubled, from 2022 to 2023⁷. The cost of hotels in the UK has also soared in price over the past few years⁸.

The consultation is also not clear about the exact scope of the possible exclusions proposed for ‘domestic’ packages. For example, packages with car hire should continue to be included⁹, and we have highlighted serious problems with reliability of some car hire services for consumers¹⁰. In addition, the definition of ‘travel service’ for the purposes of the Regulations does not include private car travel, but there are many packages involving travel by car, or separately booked travel, that should in our view still receive protection, such as adventure holidays with combined activities and accommodation.

2. If you offer or have considered offering domestic packages, what impact does the current regulatory regime have on your decision to put together domestic packages?

N/A

3. Would removing domestic packages that do not include a travel element from the scope of the regulations support businesses to:

⁶ Which?, ‘[Consumer difficulty navigating the complicated landscape of holiday protections](https://www.which.co.uk/policy-and-insight/article/consumer-difficulty-navigating-the-complicated-landscape-of-holiday-protections-anXu65o9DZ1P#citation)’, 2023 - <https://www.which.co.uk/policy-and-insight/article/consumer-difficulty-navigating-the-complicated-landscape-of-holiday-protections-anXu65o9DZ1P#citation>.

⁷ Statista Research Department, January 2025 - <https://www.statista.com/statistics/631390/average-spend-on-staycation-holiday-united-kingdom-uk/>.

⁸ Which? hotels report, October 2023 - <https://www.which.co.uk/policy-and-insight/article/which-warns-its-increasingly-hard-to-find-a-low-cost-hotel-stay-as-it-reveals-best-and-worst-hotel-chains-of-2023-ajCvb1D1rVCo>.

⁹ Regulation 2(1), PTRs.

¹⁰ Which?, [car hire services report](https://www.which.co.uk/policy-and-insight/article/which-is-warning-travellers-to-be-wary-of-car-hire-rip-offs-this-summer-as-goldcars-pressure-selling-tactics-and-dire-customer-service-left-it-languishing-at-the-bottom-of-the-consumer-champions-rankings-axtlw0g82vfl), 2024 - <https://www.which.co.uk/policy-and-insight/article/which-is-warning-travellers-to-be-wary-of-car-hire-rip-offs-this-summer-as-goldcars-pressure-selling-tactics-and-dire-customer-service-left-it-languishing-at-the-bottom-of-the-consumer-champions-rankings-axtlw0g82vfl>.

a) offer more choice?

i) Yes

ii) No

iii) I do not know

b) offer lower cost options?

i) Yes

ii) No

iii) I do not know

Please explain your response, setting out how and to what extent this reform could lead to benefits or detriment to business.

Which? strongly believes that all domestic package holidays, including those that do not include a travel component, should remain in the scope of statutory package travel protections for consumers. Concerns about potential application of, or compliance with, the PTRs seem an unlikely reason for a business to decide to offer, or not to offer, a particular package to consumers, and we would be interested to see any concrete evidence on this point as opposed to anecdotal assertions.

In addition, the research commissioned by DBT following the previous consultation indicated that consumers are prepared to pay a premium for both UK and overseas non-air travel packages because of the extra reassurance of the PTRs. This represents a business opportunity for travel organisers that is far more significant than any marginal compliance costs. The DBT research also concludes that, ‘...the present findings suggest that removing PTRs protections to reduce cost would represent a loss in value to consumers. It is also not clear that reducing the cost of domestic holidays by the cost of compliance with current regulations would make them much more appealing to consumers...’¹¹.

Keeping all relevant packages in scope would in our view not only ensure UK consumers continue to benefit from the unique protections afforded by the PTRs, but it would also be beneficial to those package organisers and agents that offer both domestic and international holidays as it would provide clear and consistent application of the rules. This is particularly important for domestic holidays given that UK package holidays can be at least as expensive as overseas trips. BA

¹¹ Verian / DBT, November 2024, ‘[Research into the Package Travel Regulations 2018 - a discrete choice experiment](https://assets.publishing.service.gov.uk/media/67e69c1337baea91c58c9ffa/Package_Travel_-_Updating_the_Framework_-_Consumer_Research_Report.pdf)’ -

https://assets.publishing.service.gov.uk/media/67e69c1337baea91c58c9ffa/Package_Travel_-_Updating_the_Framework_-_Consumer_Research_Report.pdf.

Holidays, for example, offers flights and hotels in Edinburgh. The first trip recommended when we checked cost over £2,000pp for a week in August.

4. What do you think the regulatory position on linked travel arrangements should be?

- kept as it is
- simplified by extending the scope of type A and removing type B
- something else
- I do not know

Please explain your answer, outlining potential impacts on businesses and consumers and any evidence that informed your position.

We agree that the concept of ‘Linked Travel Arrangement’ (‘LTA’) as drafted in the PTRs currently is complicated. However, as we said in response to the previous consultation in 2023¹², it is also important to reflect on the fact that LTAs were introduced both to take account of new online business models of promoting holiday services, and also as an anti-avoidance mechanism to safeguard against more unscrupulous businesses finding creative ways to avoid complying with the PTRs.

Based on Which? research on consumers’ understanding of holiday bookings protections¹³, we think that it would be simpler and better for both consumers and businesses, as well as a proportionate solution to a regulatory need, if certain elements included in LTA definitions are incorporated under the basic definition of packages in Regulation 2. We have suggested (see Annex) some alternative drafting to update the definition of ‘package’ in Regulation 2. In particular, where a trader

¹² Which?, [Response to DBT call for evidence on package travel](https://media.product.which.co.uk/prod/files/file/gm-e26fcc0-4c2d-4887-842a-971f46bc8e6d-which-response-to-the-dbt-call-for-evidence-on-package-travel-legislation-dec-2023-francesca-lo-c.pdf), December 2023 - <https://media.product.which.co.uk/prod/files/file/gm-e26fcc0-4c2d-4887-842a-971f46bc8e6d-which-response-to-the-dbt-call-for-evidence-on-package-travel-legislation-dec-2023-francesca-lo-c.pdf>.

¹³ In particular, we found that:

- Awareness of LTAs is low. Almost none of the focus group participants were familiar with the term ‘linked travel arrangement’. This limited understanding was echoed in the survey results, where a majority of UK adults (63%) said they had never heard of the term, 13% said they had, and 24% were unsure.
- There is uncertainty about whether these types of bookings qualify as package holidays. Focus group discussions revealed that participants often struggle to differentiate between LTAs and package holidays. This confusion may lead consumers to believe they have booked a package holiday, when in reality they have booked an LTA, leaving them with less protection than they might expect.
- Many consumers are unclear about the protections offered. In the online survey, 31% believed the Type A LTA holiday included protection against airline insolvency, while 24% incorrectly thought it covered hotel insolvency. Nearly half (47%) felt the protections under Type A were unfair, whereas only 21% viewed them as fair.
- Uncertainty exists around who to contact if something goes wrong. Some focus group participants said they would reach out to the website where they made the payment, while one participant mentioned they “would be looking at ATOL”.

deliberately invites a traveller to book an additional service from another trader, there is a danger that such an arrangement could be used to undermine the protection of the PTRs, so it should be regarded as part of the package for the traveller in more situations than currently. We also would argue that the current position that the contract with the second trader must be concluded within 24 hours is too restrictive given the realities of how consumers arrange holidays and how traders market services to them, so it would be reasonable to extend this to 48 hours.

5. Would increasing flexibility in how businesses can get insolvency protection benefit businesses to meet their obligations under the regulations?

- yes
- no
- I do not know

Which? agrees that flexibility in how businesses can get insolvency protection may be helpful as long as the level and extent of protection to consumers is not compromised. However, it appears that there are concerns from CTSI and many businesses about whether the proposal to allow bonding and trust protection together is feasible or effective, including in terms of enforcement. We therefore suggest that DBT keep the current situation as it is pending the proposed outcome of the long-running review of the Air Travel Organisers' Licensing ('ATOL') scheme.

6. Would there be any risk associated with increased flexibility in insolvency protection, particularly for compliance and enforcement?

There are indeed significant risks associated with introducing greater flexibility in insolvency protection arrangements, particularly concerning compliance and enforcement. As we have argued in relation to the ATOL scheme¹⁴, without further consumer protection reforms, including on insurance requirements and how trusts operate, there is already a gap for consumer protection in the current systems. Added flexibility would be likely to exacerbate this problem. Introducing additional flexibility into insolvency protection frameworks, without concurrently implementing meaningful reforms, such as enhanced insurance obligations, clearer trust account rules, and strengthened oversight, would likely aggravate the existing deficiencies in consumer protection. In particular, it could widen the gap between regulatory intention and real-world enforcement, making it more difficult

¹⁴ Which?, [Response to CAA consultation on ATOL reform](https://www.which.co.uk/policy-and-insight/article/caa-consultation-on-atol-reform-which-response-akgjz8E3Aeku#:~:text=response,-15%20Mar%202023&text=Summary%3A,practices%20in%20the%20travel%20industry), March 2023 - <https://www.which.co.uk/policy-and-insight/article/caa-consultation-on-atol-reform-which-response-akgjz8E3Aeku#:~:text=response,-15%20Mar%202023&text=Summary%3A,practices%20in%20the%20travel%20industry>.

to ensure that consumers are adequately safeguarded in the event of a travel organiser's insolvency.

7. In what other ways could the cost to package travel businesses of securing insolvency protection be reduced without compromising consumer protections?

Which? believes that consumers should be effectively protected against the risk of the package organiser's insolvency, and any changes to financial requirements on businesses as set out in the Regulations should have no negative impact on choice and value to consumers. For example, consumers may be reluctant to choose a particular provider if they are not fully confident that the security provided for refunds and repatriation costs will in fact be forthcoming. It is important that there is alignment between the insolvency rules for non-flight packages and those that apply to ATOL holders, in order to ensure a consistent and coherent standard of financial safeguarding across the entire sector. A harmonised approach not only supports regulatory clarity and compliance for businesses, but also reinforces consumer confidence by guaranteeing equivalent levels of protection regardless of the nature of the package purchased. Divergence between the two regimes risks confusion, uneven outcomes for consumers, and potential regulatory inconsistency.

8. What are the risks and or benefits of keeping the regulations as they are?

Necessary reforms to protect consumers better will not take place.

9. What should we do concerning insurance cover for insolvency protection providers?

- relax territorial restrictions to allow supply by those regulated outside the UK, subject to protections being developed
- **retain the requirements as they currently are**
- something else
- I do not know

Please explain your answer, outlining:

- potential impacts on businesses and consumers
- the cost and quality of cover
- any evidence that informed your position

Currently, insurance policies for package travel organisers may only be obtained from insurers authorised in the UK, Channel Islands, or the Isle of Man. A key benefit of this restriction is that financial insurance providers in the UK are subject to the Financial Conduct Authority (FCA) standards and oversight. This makes it easier for enforcers of the Regulations to check the status of these providers and ensure they are reliable and effectively providing cover for UK consumers as opposed to foreign businesses. In addition, the existing rules on territorial restriction allow consumers to have recourse to the Financial Ombudsman Service if there is a dispute, which provides an important layer of protection.

Therefore, it is crucial that the full suite of existing consumer protections be preserved in their entirety. Any relaxation of current territorial limitations, specifically those enabling the provision of services by entities regulated outside the jurisdiction of the United Kingdom, should not be contemplated in the absence of the prior establishment of comprehensive, robust, and equivalent regulatory safeguards for consumers.

10. How do we ensure non-UK based providers still provide good quality reliable services?

Please see our response to question 9. We do not agree that this solution should be adopted.

11. What impact would doing so have on the cost and quality of cover?

See above. Also, allowing businesses to seek insurance cover from providers outside the UK could impact the quality of cover, the ability of the regulator to check their finances easily, and also to ensure their services are compliant with the standards set in the new FCA's Consumer Duty. The broadening of these rules would risk undermining the efficacy of the FCA's Consumer Duty, thereby impairing the ability of regulatory enforcers to verify the status and reliability of such providers. Without clear accountability mechanisms, firms may not be compelled to demonstrate compliance with the requirement to deliver 'good customer outcomes' across product design, pricing, communications, and the provision of services and support to UK consumers.

12. What should be done to the 'significant proportion' criterion included in the current definition of other tourist services?

- the 'significant proportion' criterion be removed
- retain the definition as it is
- **something else**

- I do not know

Please explain your answer outlining any risks and or benefits, impacts on business and any evidence that informed your decision.

The 'significant proportion' test is an important additional safeguard to the 'essential feature' aspect of package bookings, and in order to make it more certain we would suggest that the 25% of the value of the package criterion be specified in the drafting (see Annex), to be assessed at the time the contract is entered into in order to ensure certainty.

13. Is it clear what forms an 'essential feature' of the package, so consumers and businesses understand when a package has been created?

- yes
- no
- I do not know

We believe the word 'essential' needs to be looked at from the perspective of the consumer, and would suggest some additional drafting to clarify that (see Annex).

14. What are the consequences and benefits of options 1 and 2 relating to the 'significant proportion' criterion?

The 'significant proportion' criterion provides a tangible and objective measure for determining whether the service forms part of a package. As such, we believe that rather than removing it, the definition could be improved by replacing 'significant proportion' with the wording 'at least 25%' in the legislation to reflect well-established existing practice and understanding. More certainty could also be provided by including in the drafting that the value of the package is to be assessed at the time the contract is entered into (see Annex).

15. Should the regulations be changed to require suppliers to provide redress to organisers within 14-days?

- yes

- no
- I do not know

It is essential that package organisers retain the right to pursue and secure redress from third-party suppliers in instances where services are not provided or performed, resulting in compensation obligations to consumers. To allow the prompt payment of refunds to consumers within the 14 days established in the PTRs, we recommend setting an obligation on suppliers to pay refunds to package organisers within 7 days from the cancellation or other triggering event. It is also essential that relevant regulators have access to effective enforcement powers to deter non-compliance and take action when businesses fail to act in accordance with the law.

16. Should any time limit for payment of redress apply only in narrower circumstances than regulation 29 (for example, only where the third party has cancelled or wholly failed to provide the relevant service)?

- yes
- no
- I do not know

Which? opposes any proposal to restrict the time limit for payment of redress to narrower circumstances than those set out in Regulation 29. We believe that this would be too restrictive, and the general redress principles as currently expressed in Regulation 29 are appropriate. From a consumer point of view, it is important that the law is clear and that any disputes between suppliers and organisers do not get in the way of prompt recompense to the traveller. Therefore limiting it only to situations where a third party has cancelled or entirely failed to deliver the relevant service, would unjustifiably reduce the protections available to consumers.

17. What else could improve package travel organisers' ability to get timely and effective redress from suppliers?

To further enhance package travel organisers' ability to obtain timely and effective redress from suppliers, it would benefit all parties if additional resources were allocated to more effective monitoring, supervision and enforcement of the PTRs at all levels, whether by regulators or through the courts and alternative dispute resolution procedures.

18. What are the difficulties of leaving legislation as it currently is?

One of the principal challenges of retaining the legislation in its current form lies in the complexity of the information requirements in the PTRs contain complex conditions presented in technical terms that can be difficult for consumers to understand, as highlighted in our response to the 2023 consultation¹⁵. It is particularly important that improvements are made to ensure the information presented before the conclusion of the booking is clear, prominent and effectively helps consumers understand the protections they will be entitled to.

19. What are the benefits of leaving legislation as it currently is?

One of the key advantages of maintaining the legislation in its current form is that it would allow for a more comprehensive review at a later date which would not be reliant on the use of powers in the REUL Act.

Rushing reforms through the powers granted under the REUL Act risks overlooking key consumer protections and may lead to unintended consequences. By maintaining the existing framework for the time being, there is greater opportunity to consult widely, gather meaningful evidence, and ensure that any future changes genuinely enhance, and not erode travellers' rights and clarity that consumers rely upon when booking package travel.

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¹⁵ Which?, [Response to DBT call for evidence on package travel](https://media.product.which.co.uk/prod/files/file/gm-e26fccc0-4c2d-4887-842a-971f46bc8e6d-which-response-to-the-dbts-call-for-evidence-on-package-travel-legislation-dec-2023-francesca-lo-c.pdf), December 2023 - <https://media.product.which.co.uk/prod/files/file/gm-e26fccc0-4c2d-4887-842a-971f46bc8e6d-which-response-to-the-dbts-call-for-evidence-on-package-travel-legislation-dec-2023-francesca-lo-c.pdf>.

ANNEX

Suggested amendments to Regulation 2 PTRs

Interpretation

2.—(1) In these Regulations—

...

(5) In these Regulations, subject to paragraph (6), a “package” means a combination of at least two different types of travel services for the purpose of the same trip or holiday, if—

(a) those services are combined by one trader, including at the request of, or in accordance with, the selection of the traveller, before a single contract on all services is concluded; or

(b) those services are—

(i) purchased from a single point of sale and selected before the traveller agrees to pay,

(ii) offered, sold or charged at an inclusive or total price,

(iii) advertised or sold under the term “package” or under a similar term,

(iv) combined after the conclusion of a contract by which a trader entitles the traveller to choose among a selection of different types of travel services, or

(v) purchased from separate traders ~~through linked online booking processes~~ where—

(aa) through linked online booking processes, the traveller's name, payment details and e-mail address are transmitted from the trader with whom the first contract is concluded to another trader or traders, ~~and~~ or

(bb) the first trader invites, through provision of an online link or otherwise, the traveller to book an additional travel service or services from another trader or traders, and

a contract with the latter trader or traders is concluded at the latest ~~24~~ 48 hours after the confirmation of the booking of the first travel service, irrespective of

whether the traveller concludes separate contracts with one or more travel service providers in respect of the services.

(6) A combination of travel services where not more than one type of travel service of the kind listed in paragraph (a), (b) or (c) of the definition of “travel service” is combined with one or more tourist services of the kind listed in paragraph (d) of that definition is not a package if the latter services—

(a) do not account for ~~a significant proportion~~ more than 25% of the value of the combination at the time the relevant contract or contracts are concluded and are not advertised as, and do not otherwise represent, an essential feature of the combination; or

(b) are selected and purchased after the performance of a travel service of the kind listed in paragraph (a), (b) or (c) of the definition of “travel service” has started.

(6A) In subsection (6)(a), a travel service will ‘otherwise represent’ an essential feature of a combination where, inter alia:

(a) the traveller specifies the travel service to be essential to them before the relevant contract or contracts are concluded; or

(b) a reasonable traveller in comparable circumstances would consider the feature concerned to be essential to the combination.