



NEWS RELEASE

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FOR IMMEDIATE RELEASE

SPAA ATOL SUBMISSION – PRAGMATIC ON REFORMS, BUT ‘CUSTOMER LEVY WOULD SOLVE THE PROBLEM’

In its 20 page response to the DfT Consultation on ATOL Reform, just submitted, the SPAA has commented in detail on each element of the proposed reforms, but in the context of its long term view – and that of its Members – the Association has also re-asserted its vision for a customer levy-based system to replace ATOL completely.

In an overview at the beginning of its submission document, the SPAA states : ‘We believe it is important, in providing the context for our Submission, that we state at the outset of this document, our over-arching view of the proposed ATOL Reforms, and our vision for a new, completely transparent and comprehensive system of consumer financial protection in the UK - protection to which we are totally committed:

- We believe that reform is absolutely necessary, and we have gone to great lengths to give our detailed, objective and pragmatic responses to the questions posed in this Consultation, reflecting the commitment of the SPAA and our Members to making whatever changes actually emerge practical and achievable. However, we firmly believe there is a better way to solve the longstanding problems with the financial protection system, rather than to pursue the proposed Reforms

- We believe that a simple customer levy-based system, covering every air-based transaction and collected by all travel providers including airlines, would better meet Government’s objectives, and provide absolute fairness, clarity and peace of mind for both provider and consumer’

The Submission re-iterates the Association's long-held view that 'financial protection for the consumer is vital', but asserts that 'far from improving financial protection, (the reforms) will actually introduce greater risks of financial loss and disruption for travellers; create even greater uncertainty as to when and in what circumstances they are protected, and impose unsustainable additional burdens on our business.'

Alluding to the Government's proposed timetable for the introduction of the reforms, the SPAA is in agreement with ABTA and other colleague travel organisations, taking the view that the introduction date of 01 January 2012 is entirely unachievable – not least due to a significant number of unanswered anomalies and practical difficulties thrown up by the detail of the proposals, and the Association's Submission hammers home the point, in several different areas of the document, that the Reforms will fail if airlines are not included from the outset.

Comments SPAA President Brian Potter, 'Having undertaken extensive research, and consulted widely with our Members and our colleagues in the travel community, we've produced and submitted what we believe is sound, pragmatic input to this most important Consultation.'

'We've made it crystal clear to Government that we believe in comprehensive consumer financial protection. We've re-iterated our strong support for reform of the current, broken system, and we've re-asserted our commitment to working pro-actively with whatever new system is forged. However, we've also made it abundantly clear where we think the real solutions lies – for Government, travel provider and travel consumer – and that's in a universal customer levy on every air-based transaction, collected by all travel providers including airlines.'

'Until this option can be fully explored by all interested parties, these ATOL Reform proposals need to be halted. We're continuing to work hard toward this end, and the Consultation is a major step in the process.'

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