

USA Desk Scotland News

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Briefing ...

Financial protection at the consumer's expense?

At a recent SPAA Seminar, in answer to a question posed by yours truly, an ABTA spokesperson asserted that there is no general enthusiasm amongst stakeholders to lobby Government for the creation of a Passenger Levy as the basis of a new, comprehensive financial protection system in the UK. Yet, in the last ten days, three different 'stake-holding' groups – travel sector professionals, consumers, and the UK Government – have expressed sentiments and preferences that, to this observer at least, suggest a common view could be forged and a potent lobbying campaign mounted in support of this type of protection regime model.

Firstly, a 300-strong gathering of corporate travel providers and consumers expressed a strong preference for 'an all flights levy' of 50p - £1. During the recent Barclays Corporate Travel Forum, no fewer than 82% of the participants, in fact, expressed this view.

Secondly, the outcome of a recent consumer survey conducted on behalf of Travel Weekly (to whom, thanks for the statistics!) both confirmed the value which consumers ascribe to financial protection, and the continuingly high degree of confusion that exists – over what is and is not protected, and by whom. 80% of the sample polled rated financial protection 'important' or 'very important'. 75% of Scottish respondents viewed it as 'very important'; and two thirds of all those polled confirmed they would be willing to pay a contribution higher than the current rate of APC (ATOL Protection Contribution - £2.50), for financial protection. In the north, two thirds of those who responded indicated they would be willing to pay £10 for protection.

All of this comes in the wake of the third interesting statement of recent date – that of the Government, which recently asserted its preparedness to legislate airlines into the ATOL protection regime - in primary legislation pencilled in for 2012/13.

Now, maybe I'm missing something here – but does the confluence of these three views not indicate that it would be worth making a further assertive push for a new, comprehensive, customer-paid (and I mean that literally) financial protection system? Such a regime would be a win/win/win outcome – for the Government, in its clarity and comprehensive scope; for the travel profession, in its relief of a heavy administration and cost burden; and most importantly for the consumer, providing transparency and peace of mind!

Matt Bates / USA Desk Scotland News Editor / 31 May 2011