

Code of Conduct and ADR Annual Report 2022/2023

The Code of Conduct applies to all ABTA members and is central to achieving ABTA's aims, in particular delivering higher standards for customers, and building confidence in travel.

ABTA provides guidance and training to members on the Code, and carries out monitoring to see that members comply, and holds them to account if necessary through various enforcement methods.

ABTA is approved as an ADR body by the Chartered Trading Standards Institute in respect of its Customer Support function. ABTA also offers Arbitration and Conciliation Schemes, provided by Hunt ADR.

This report presents the facts and figures for Code activity and for the operation of the ADR schemes for the past year (1 July 2022 to 30 June 2023).

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For information on ABTA and to view the Code and its Guidance, please go to www.abta.com

Key: figures in brackets are last year's figures.

A. CODE OF CONDUCT

1. Primary Authority

ABTA has been in a [Primary Authority](#) coordinated partnership with Kent County Council Trading Standards since 2019. The Code of Conduct and Guidance on the Code of Conduct are assured advice under the partnership. This is a benefit to members as, if they follow the Code, they can be confident that they are complying with the law, and they can refer to the Primary Authority arrangement provided by ABTA if they are approached by any other Trading Standards authority.

Kent County Council Trading Standards commented on the year:

‘Travelling and holidays are on the increase despite the cost-of-living crisis, or maybe even because of it, as consumers look for some respite from the worries and stress of the crisis.

This year saw over two thirds of consumers off on holiday; however, it is still not without problems and travellers have to deal with issues from various strikes across Europe, border force strikes in the UK, fires in Greece and the effects of the war in Ukraine.

Throughout all this ABTA is there, helping its members run successful travel businesses and providing consumers with advice, guidance and support.

Kent Trading Standards Primary Authority Partnership with ABTA benefits both businesses and consumers and shows ABTA’s commitment to regulation, giving consumers confidence when purchasing their trips through an ABTA member. We welcome another year of working in partnership.’

2. Changes to the Code this year

None.

3. Member Advice and Guidance

a. Calls and emails

Over the year, ABTA’s member advice teams answered 2,915 (3,859) phone calls and 1,069 (1,359) emails from members.

b. Views of ABTA’s online guidance

Accurate figures aren’t available for this year, but www.abta.com receives many thousands of visitors to the Member Zone. This contains a range of resources: as well as the Code of Conduct and the Guidance on the Application of the Code, there are several guidance notes on specific legal and compliance topics and model documents such as booking conditions.

4,037 subscribers currently receive our weekly e-newsletter, ABTA Today. This provides vital information and guidance to members.

c. Seminars and training

ABTA provides a program of seminars and workshops to keep members updated and informed. Many of these include training on the Code and Code-related issues. During the year:

- 167 members attended the Travel Law seminar
- 96 members attended the Travel Regulations conference
- 24 attended the Beginner's Guide to Travel Law
- There were five training days on Complaint Handling in Travel with a total of 177 attendees
- 25 attended the seminar on Consumer Law in Marketing and Selling of Holidays
- 13 attended Claims Handling in Travel
- 72 attended the two training days called: An Essential Guide to the Package Travel Regulations

There is also [The Knowledge Zone](#), online training aimed at supporting frontline sales staff. The training courses, and the numbers that have completed them this year, are as follows:

About ABTA	5649 (5362)
Foreign, Commonwealth & Development Office (FCDO) advice and your customers	196 (143)
Introduction to child safeguarding	253 (387)
Implementing child safeguarding and policies	176 (124)
Demystifying accessibility	185 (122)
Inclusive Travel: making business sense	139 (90)
Tackling modern slavery	163 (121)
ACT (Action Counters Terrorism) training	140 (92)
Sustainability	212 (120)

4. Code Monitoring

ABTA monitors compliance with the Code in certain important areas.

a. Liability Insurance

This year, as in previous years, ABTA monitored members' compliance with Clause 61 of the Code, which states that members shall, if they are Principals or Organisers, ensure that they obtain liability insurance to cover claims made by clients.

All relevant members were contacted to ensure that they complete and return a Liability Insurance Notification Form giving details of insurance cover. 684 replies were received during the year. This comprises members trading as a Principal (581 members as at the end of year 2022-23) and those trading as Organisers of packages but not Principals.

Any member that does not return the Form faces further action under the Code. This year, no (2) members were referred to the Code of Conduct Committee for failing to renew their policy, but 1 member received a fixed penalty fine, and 6 members were warned, in respect of late notification of their policy renewal.

b. Other monitoring of existing members

This year we focussed on:

- FCDO advice

Destination travel advice is vital for consumers. The Code requires members to direct clients to the Foreign, Commonwealth & Development Office's (FCDO) [advice](#). We reminded members of this and monitored websites to see that a link was provided in a prominent place. 74 websites were checked.

- Travel agents organising package holidays

The current Package Travel Regulations increase the likelihood that travel agents will be organising their own packages. This year we continued our work in advising agent members of this. We had previously checked that package-organising agents have liability insurance to protect themselves; this year, we used the results and gave attention to 19 specific cases, to see if they had appropriate booking conditions, and ensured that they receive advice on financial protection.

c. New joiners

Improvements were made this year to the application process for joining ABTA, as regards the Code of Conduct. All new joiners received a revised checklist and undertaking, which provides information on some of the key Code requirements:

- Displaying accurate information on the identity of the business
- Referencing ABTA membership
- Having booking conditions
- Dealing with complaints and correspondence correctly
- Providing essential travel advice on websites
- Information on financial protection

New joiners commit to complying with these and are monitored after becoming members to see that any changes required are made. 22 new head office members and 52 new managed branches joined ABTA in the year.

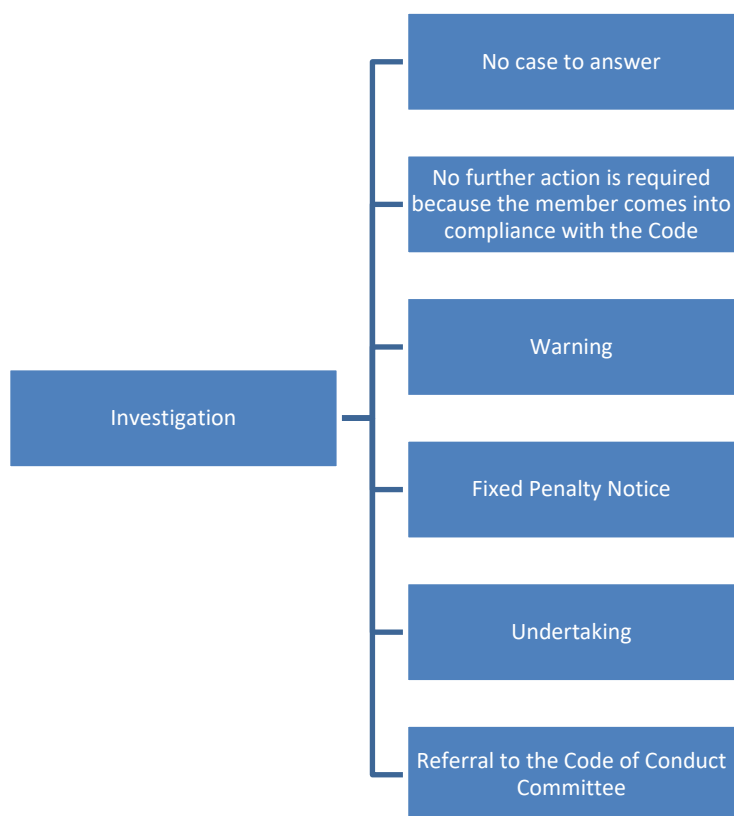
5. Code enforcement

If necessary, on receipt of a complaint, ABTA acts to see that the Code is complied with.

a. Code of Conduct Referrals

During the past year, 250 (201) files were investigated under the Code. The source of these files is ABTA Customer Information, members, suppliers and ABTA's code monitoring. At the end of the investigation process, the referrer will be notified of the outcome, including the customer that originally raised the complaint.

Following investigation with the member that is the subject of the complaint, there are several different ways a Code case can be dealt with as this diagram illustrates:



No further action is required because the member comes into compliance with the Code

This year, 72 (28) cases fell into this category, with members, for example, improving their procedures or making changes to their website information.

- Improved Procedures: 18 (3)
- Resolved: following the Legal Department's approach member has resolved matters: 50 (24)
- Recommendation: following discussions with the member the Legal Department has provided recommendations on best practice, which member has accepted and implemented: 4 (1)

Warnings

If a member is in breach of the Code, a warning can be issued. If the member doesn't want to accept the warning, it can take the case to the Code of Conduct Committee. If the member accepts the warning, and then commits the same offence within two years, it will be required to give an undertaking or appear in front of the Code of Conduct Committee.

This year, 13 (8) warnings were issued. 12 were accepted; one was not, and the case was heard by the Code of Conduct Committee. The Committee substituted a fine.

Fixed Penalty offences

13 clauses of the Code can be dealt with by ABTA issuing a Fixed Penalty Notice where a breach is, on the face of it, self-evident and has been rectified without significant or ongoing detriment to the consumer. Under this process, the member will pay a fine of £400 and no further action will be taken.

This year, 5 (1) Fixed Penalty Notices were issued.

Fixed Penalty Notices issued:

- *5C Correspondence with ABTA x4*
- *6I Liability Insurance*

Members can refer the Fixed Penalty Notice to the Code of Conduct Committee for a hearing if they wish. In addition, if the member fails to pay then the case will be referred to the Committee. This year, two Fixed Penalty Notices were referred. The members disputed the Fixed Penalties, however, when the cases were heard by the Code of Conduct Committee, it confirmed the fine in one case and in the other it increased the fine.

Undertakings

If the investigation has revealed a breach of the Code, the member can be asked to give an undertaking about its future conduct and Code compliance, if this is thought to be a better way to deal with the breach than a Fixed Penalty fine or a referral to the Code of Conduct Committee. If the member doesn't want to give the undertaking the matter can be referred to the Committee for a hearing.

Additionally, the Code of Conduct Committee can ask for undertakings when deciding on cases.

This year, 4 (3) undertakings were requested, and 4 (2) were provided.

Undertakings received for breaches of:

- *3C Notification of Alterations*
- *5B and 5C Correspondence with clients and with ABTA*
- *6H Client Refunds x2*

A further 105 (6) alleged breaches of the Code that were not dealt with by way of a Warning, Fixed Penalty Notice or Undertaking were referred to the Code of Conduct Committee for a hearing.

b. The Code of Conduct Committee

The Code of Conduct Committee comprises members of ABTA, both tour operators and travel agents, representatives of the Trading Standards Authorities and the Civil Aviation Authority. It hears alleged breaches of the Code and can impose a range of penalties if necessary: reprimands, undertakings, fines, suspension of membership and termination of membership.

Current membership of the Committee:

Andy Cooper	Chairman	Contemporary Travel Solutions Ltd
Bridget Keevil	Vice-Chair	Travel Stop Worldchoice
Daniele Broccoli		Britaly Travel Ltd
David Powell		InspireSport
Karen Hart		Lotus International Ltd
Heather Ward		RCL Cruises Ltd
Tom Spriggs		TUI UK Ltd
Civil Aviation Authority		
Various Trading Standards Authorities		

The Committee met on two (three) occasions during the period.

During the two meetings the Committee considered 105 (6) alleged breaches. It concluded that 105 (5) breaches had occurred, and all 105 (5) were dealt with by way of a fine this year.

The Committee also issued other remedies as required. It requested 2 (2) undertakings from members, to clear a backlog of customer complaints, and to bring its processes in line with the Code, within a set period.

All members paid the fines and provided the undertakings as requested.

Breaches upheld by the Code of Conduct Committee:

- 5B *Correspondence with Clients* (x51)
- 5C *Correspondence with ABTA* (x53)
- 6I *Public and Products Liability Insurance* (x2)

c. The Appeal Board

Members have a right of appeal against decisions of the Code of Conduct Committee. Appeals are heard by an Appeal Board which is independent of the Committee.

There was 1 (1) appeal during this period. The Appeal Board upheld the decision of the Code of Conduct Committee but reduced the fines that had been imposed, after securing an undertaking from the member to comply with the relevant part of the Code in future.

B. ALTERNATIVE DISPUTE RESOLUTION (ADR)

ABTA is approved as an ADR body by the Chartered Trading Standards Institute in respect of its Customer Support function. ABTA also offers Arbitration and Conciliation Schemes, provided by Hunt ADR.

1. ABTA ADR cases

Customers of ABTA members have access to ABTA's authorised ADR scheme to help resolve any complaints. If the customer has been unable to resolve a complaint with the member, the ADR scheme will help bring the parties together. Our Customer Information department opened 11,858 (7,662) cases in relation to customer issues concerning ABTA members over the last year.

The vast majority of these are resolved through the ADR scheme which facilitates discussion and negotiation between the customer and the member.

2. Arbitration and conciliation

Those complaints that are not resolved through the ADR scheme can progress to the Arbitration and Conciliation Schemes to resolve the customer's complaint.

General complaints, which are not solely or predominantly about injury and illness are eligible for the ABTA Arbitration Scheme. Complaints about injury and illness are eligible for the ABTA Conciliation Scheme.

- Arbitration

The Arbitration Scheme is compulsory, meaning that ABTA members must allow any dispute with a client to progress to arbitration. It produces a legally binding result.

This year there were 375 (155) cases that were the subject of an arbitration award. This represents approximately 3% (2%) of all complaints received during this period. 248 (106) arbitrations have been found in favour of the applicants and 127 (49) in favour of the member, which represents a 66 % (68%) success rate for the consumer. The average amount claimed by applicants was £3,344 (£3,473) and the average award was £1,040 (£1,380).

- Conciliation

The Conciliation Scheme is voluntary. The Conciliator seeks to help both sides come to a mutually satisfactory settlement by negotiation and compromise. Any settlement agreed only becomes legally binding once the Confirmation of Outcome Statements are signed by both parties.

This year, Hunt ADR carried out no (no) conciliations.