

Code of Conduct Annual Report 2016/2017

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.

This report presents the code activity for the past year (1 July 2016 to 30 June 2017).

It demonstrates that ABTA both helps its Members to do what's right and holds them to account if necessary. ABTA helps its Members by providing guidance and advice, online resources and seminars and training events. The figures below show a high take-up of these by Members.

ABTA monitors compliance in certain important areas and again provides advice and recommendations and achieves results without enforcement action being required.

Compliance with the Code is therefore high amongst the membership. If problems occur, however, Members will be held to account with warnings, undertakings and fines.

ABTA is approved as an ADR body by the Chartered Trading Standards Institute in respect of its Customer Support function. ABTA also offers an Arbitration Scheme provided by the Centre for Effective Dispute Resolution which is also an Approved ADR body.

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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.

1. Member Advice and Guidance

a. Calls and emails

Over the year, ABTA's Member advice teams answered 15,636 phone calls and 5,412 emails from Members.

b. Views of ABTA's online guidance

Our weekly e-newsletter, ABTA Today, provides vital information and guidance to Members. There are 3,865 current subscribers.

Members have access to a range of online resources on www.abta.com. As well as the Code of Conduct and the Guidance on the Application of the Code, there is the Business Support Manual, which is a guide to the laws that affect travel businesses, a number of guidance notes on specific topics and model documents such as booking conditions.

Number of page views:

Business Support Manual and Guidance Notes: 7,792.

Model documents: 3,441.

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:

166 Members attended our seminars on best practice in complaint handling: Complaints Handling Workshop and Managing Customer Complaints.

155 Members attended our Travel Law seminar

82 Members attended our Beginner's Guide to Travel Law.

99 attended the Handling Illness Claims seminars

32 attended the seminar on Consumer Law in Marketing and Selling of Holidays.

2. 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 6I of the Code, which states that Members shall, if they are Principals, ensure that they obtain liability insurance to cover claims made by clients.

All Members selling as a Principal (790 Members) were contacted during the year to ensure that they complete and return a Liability Insurance Notification Form giving details of insurance cover.

If Members don't return the Form giving details of insurance cover, this is an apparent breach of the Code which will be considered by the Code of Conduct Committee. This year, two Members were fined by the Code of

Conduct Committee. The companies subsequently provided evidence of insurance cover, meaning that all principal Members had demonstrated compliance.

b. Website Information

This year, as in previous years, monitoring was carried out to make sure that Members' websites aren't misleading and contain all the key information a client needs. This is done using a website checklist.

All new Members joining ABTA were subject to this monitoring and advice was provided where necessary to ensure compliance.

Certain categories of existing Members are checked each year, for example the largest 25 principals and agents.

Certain issues are checked as necessary and this year have included the level of credit card charges, information for consumers on financial protection and the provision of destination advice issued by the Foreign and Commonwealth Office (FCO).

Under the Code, Members must advise their clients about the availability of FCO advice. This issue took on great importance this year with the Inquests into the deaths of holidaymakers in Tunisia in 2015. The Coroner's report stated that action should be taken to see that FCO advice is provided prominently on travel companies' websites. ABTA agreed to ensure this is achieved, in respect of the ABTA Membership. We have developed and issued guidance on how to promote the existence of the travel advice. We have completed a check of Member websites (1129) and embarked on a project of contacting Members where necessary to ensure that their websites carry a link to the travel advice, in a prominent place.

Monitoring is ongoing and, where necessary, Members are being required to make changes to the information displayed on their websites. The monitoring is backed up by advice issued to Members in the ABTA Today e-newsletter.

3. Code enforcement

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

a. Customer Support

Customers of ABTA Members have access to ABTA's authorised Alternative Dispute Resolution (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 Support department opened 14,182 (12,962) cases in relation to customer issues concerning ABTA Members over the last year. All cases received by ABTA that fell within the scope of the Scheme were dealt with through the ADR Scheme.

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

Those complaints that are not resolved through the ADR scheme can progress to the Arbitration Scheme in order to resolve the customer's complaint.

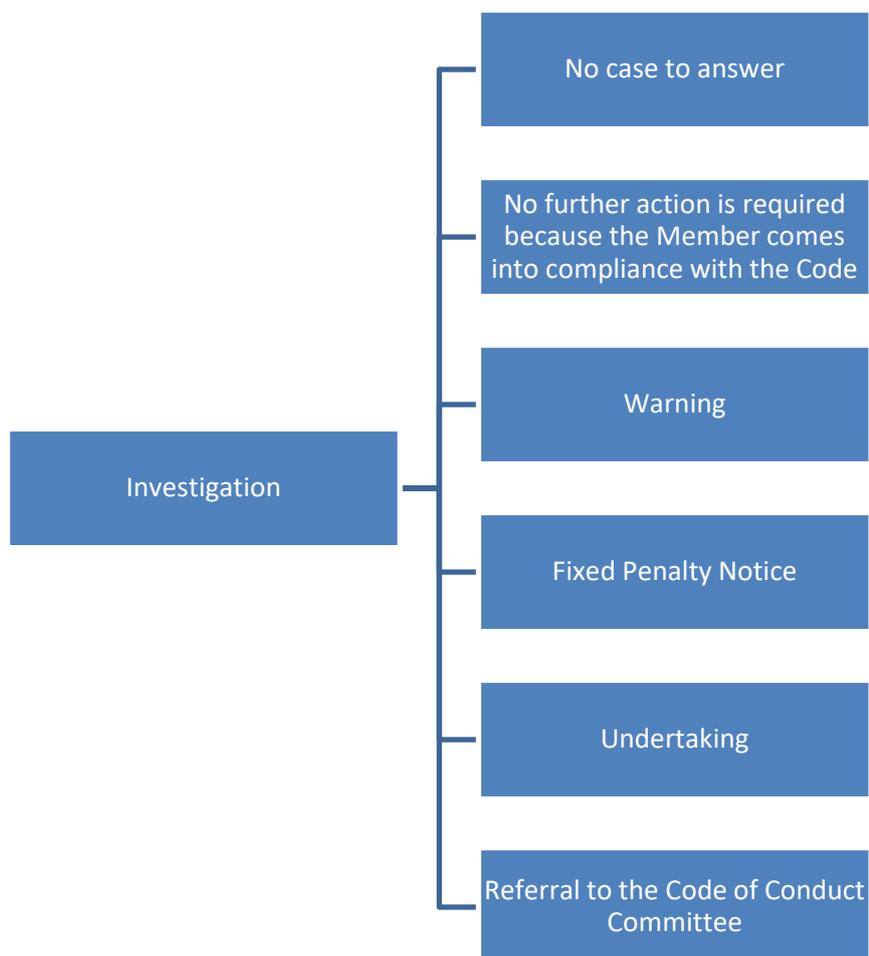
This year there were 666 (431) cases that were the subject of an arbitration award.

The Customer Support team also plays an important role in Code compliance. If a consumer hasn't received a response to a complaint from a Member within 28 days, Customer Support contacts the Member to inform them that they're in breach of the Code. Last year it dealt with 1,656 cases of this type. It ensures that the customer receives a reply and it might also result in a referral to the Code team, which mean that the Member faces a fine under the Code. Customer Support also passes to the Code team other apparent breaches of the Code that it sees in the customer complaints.

b. Code of Conduct Referrals

During the past year, 578 (533) files were investigated under the Code of Conduct. The source of these files, as well as Customer Support, is Members, suppliers to Members 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 a number of different ways a Code case can be dealt with as this diagram illustrates:



i. No further action is required because the Member comes into compliance with the Code

This year, 36 (74) cases fell into this category, with Members, for example, improving their procedures or making changes to their website information.

Improved Procedures: 16

Resolved: following the Legal Department's approach Member has resolved matters: 15

Recommendation: following discussions with the Member the Legal Department has provided recommendations on best practice, which Member has accepted and implemented: 5

ii. 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, 8 warnings were issued and accepted.

Warnings accepted for breaches of:

- *3C Notification of Alterations*
- *5B Correspondence with Clients*
- *5C Correspondence with ABTA (x2)*
- *5D Dealing with Disputes*
- *5G Rules of ABTA Arbitration (x3)*

iii. 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, 40 (73) Fixed Penalty Notices were issued.

Fixed Penalty Notices issued:

- *5B Reply to correspondence from client (x 5)*
- *5C Reply to correspondence from ABTA (x 35)*

Of the 40 Fixed Penalty Notices that were issued, one (seven) was referred to the Code of Conduct Committee for a hearing as the Member failed to pay or requested a hearing. The Committee upheld the £400 fine.

iv. 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.

This year, 5 (5) undertakings were requested and 5 (5) were obtained.

Undertakings received for breaches of:

- *1D Advertising*
- *3A Cancellation by Principals*
- *5G Rules of ABTA Arbitration (x3)*

A further 87 (42) 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.

c. The Code of Conduct Committee

The Code of Conduct Committee comprises Members of ABTA, both tour operators and travel agents, and representatives of the Trading Standards Authorities. 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:

Peter Baxter	Chairman	TUI UK Ltd
Bridget Keevil	Vice-Chair	Travel Stop Worldchoice
Willie Stewart		Hays Travel Ltd
Ian Bates		Thomas Cook Tour Operations Ltd
Daniele Broccoli		Britaly Travel Ltd
David Powell		InspireSport
James Clarke		Fleetway Travel Plc
Richard Simpson		Midcounties Co-op
Karen Hart		Lotus International Ltd
Heather Ward		RCL Cruises Ltd
Hilary Kett		TUI UK Ltd
Jackie Knight/ Matt Buffey		Civil Aviation Authority

The Committee met on five (five) occasions during the period.

During the five meetings the Committee considered 87 (42) alleged breaches. The Committee concluded that 87 (38) breaches had occurred. 76 (36) of these were dealt with by way of a fine, 10 (2) by way of a reprimand and 1 attracted no sanction.

The Committee also issued other remedies as required. In one case it instructed the Member to engage with ABTA to receive training in the use of the online complaint system, as the Member had failed to reply to a

complaint. In another case, it required the Member to attend an ABTA complaints handling course, as it had dealt aggressively with a complaint.

Breaches upheld by the Code of Conduct Committee:

- 1A *Accurate Information* (x27)
- 2A *Suitable Arrangements* (x1)
- 2B *Booking and documentation procedures* (x1)
- 3A *Cancellation by Principals* (x3)
- 3E *Clients' Options on Significant Alterations* (x1)
- 3H *Overbooking* (x2)
- 5B *Correspondence with Clients* (x13)
- 5C *Correspondence with ABTA* (x16)
- 5G *Rules of ABTA Arbitration* (x13)
- 6A *Standard of Service* (x7)
- 6B *Fair Trading and Disrepute* (x1)
- 6I *Liability Insurance* (x2)

d. 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 one appeal during this period. The Appeal Board upheld the decision of the Code of Conduct Committee.