

## **Package Travel Regulations Government Response & TA Position**

### **Summary**

#### **1. Headlines**

- Government has **banked some of our arguments** (LTAs and redress) but **rejected the domestic exemption** ask.
  - Our **survey data and growth narrative are quoted back** in the response, so TA is clearly seen as a lead stakeholder.
  - Insolvency and wider structural issues are acknowledged but **parked for later**.
  - This now moves from a one-off consultation to a **longer-term regulatory reform workstream**, and we will continue to lead on this.
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#### **2. What Government will change**

##### **Linked Travel Arrangements (LTAs)**

- **Type A LTAs** (multi-service in a single booking session, separate payments) will be **treated as full packages**.
- **Type B LTAs** (targeted follow-on booking with another trader within 24 hours) will be **abolished**.
- Objective: simplify the regime and remove consumer confusion about what protection they have.

##### **Regulation 29 – redress from suppliers**

- Introduces a **14-day deadline** for suppliers to refund organisers where services are cancelled.
- Clarifies in law that organisers have a **right to redress**, not just a right to “seek” it.
- This directly addresses a long-running pain point for organisers who are refunding consumers before they see money from suppliers.

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### **Timing**

- Changes are expected to be **in force by June 2026**, via secondary legislation.

### **3. What Government will *not* change (for now)**

- **No exemption** for domestic-only packages without travel.
- **No new flexibilities** on insolvency protection or dual regulation (ATOL + PTR) at this stage.
- **No legislative change** to “other tourist services” tests (significant proportion / essential feature); they will look at guidance instead.
- **No change** to territorial restrictions on insurance, though they clarify that any authorised insurer can participate if they are allowed to cover UK/CI/IoM risk.

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### **4. How does this fit with TA’s consultation position?**

#### **Domestic exemption**

- Our survey evidence (potential **£3bn extra domestic spend and c.40,000 jobs**) is cited in the response.
- Government recognises the growth potential but rejects an exemption, citing:
  - Risk of **two-tier consumer protection** (domestic vs overseas).
  - Ongoing liability under Consumer Rights Act even if PTRs did not apply.
  - The difficulty of drafting a clear legal definition of “travel” that does not create new loopholes.
- Net: **policy ask lost, economic case won**. But we can use the main growth narrative as evidence in future policy.

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### **LTAs**

- Broadly aligned with our ask for **simplification and clarity**.
- Upside: removes Type B as a regulatory tripwire for SMEs that simply signpost local services.
- Downside: more Type A structures will become **full packages**, increasing obligations for some.

### **Redress (Reg 29)**

- Faster, more enforceable supplier refunds.
- Still unresolved: overseas enforcement, airline behaviours, and practical collective redress options.

### **Insolvency/ATOL/PTR interface**

- Government accepts there is a **structural issue** but pushes any solution into the longer-term reform space.
- We can ask for a **joined-up review involving DBT, DfT, Treasury, regulators, and financial services**.

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## **5. TA Member impact overview**

### **Domestic SMEs (accommodation, attractions, experiences)**

- Less risk from **simple signposting** (Type B gone).
- Still in scope of PTR for many domestic packages; **no light-touch regime** for low-risk domestic product.
- High need for **practical guidance** rather than more theory.

### **Inbound operators, DMCs, OTAs, larger organisers**

- Gain from **14-day redress** and clearer legal backing to reclaim funds from suppliers.

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- Many existing LTA models will convert to **full package** status once reforms go live.
- Insolvency, ATOL / PTR duplication, and cash-flow risk remain live issues.

### **DMOs / LVEPs**

- Our evidence on product development and domestic growth is explicitly recognised.
- The regulatory framework still constrains some of the **bundling and packaging** they want to facilitate with local partners.