

15<sup>th</sup> June 2020

Jayne Thorn  
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Dear Jayne

Thank you for your letter of the 21<sup>st</sup> May regarding the issues that the SUPC members have been experiencing in relation to obtaining refunds from airlines via your various travel management companies.

I am of course very concerned to read in your letter the significant impact the delay in receiving monies owed to you is having to the universities during this crisis. I know all the Travel Management Companies you work with have been very active on behalf of all their clients, both directly and through myself at the Business Travel Association, in trying to get refunds returned to customers from the airlines.

The BTA has been in constant contact with IATA (International Air Transport Association) the representative body of the airlines, to ensure airlines meet their requirements on refunds as stated within their very own regulations. As you will understand the Covid-19 pandemic has resulted in grounding of airline fleets globally and as a result has left every airline with extreme challenges for their own survival, driven by their liquidity position. The BTA is sympathetic to that position but has stressed to IATA and to airlines directly that they must refund and refund in a timely manner as the impact of not doing so is both wrong and unfair on the customer.

I should also point out that IATA have been very clear throughout this crisis that airlines should abide by their rules and refund passengers. Sadly, the airlines can decide to ignore their own rules and make their own commercial decisions with nothing other than the public backlash as a sanction.

Over the first few weeks of the crisis and because of our conversations with airlines, we saw most UK based airlines agree to refund clients in cash if required whilst also offering vouchers for future travel. However, several overseas based airlines refused to do this and remained fixed on only providing vouchers for future travel. The BTA, on behalf of the travel management industry, lobbied those key airlines including Emirates, who have since relented and agreed to refund clients. As of today, there remains only a small handful of airlines that still refuse to offer anything but vouchers in lieu of refund.

The next issue is the length of time airlines are taking to issue those refunds, I am aware that it is taking anything up to three months for most and a few are taking longer, for airlines to process the refunds and return the money to the client. Clearly this is due to many airline staff being furloughed, particularly in administrative roles and as a result airlines just do not have the resources available to process the volume of refunds they are having to deal with. Disappointingly this is a situation that need to apply, as your TMC's, under normal circumstances, process the refunds on your behalf via the Global Distribution Systems (GDS) saving the airlines from doing all the processing themselves.

However, since the start of this situation most of the airlines took the unprecedented step of closing this method of refunds and insisting that every refund was submitted directly to them for processing. Whilst they will not admit to this, this action was blatantly for them to gain control over the refunds and ultimately of course their cashflow. The secondary reason for this action is that the airlines are charged for every refund processed by the GDS, so this is also a cost saving exercise.

The refund process is an airline commercial decision and neither, IATA, The BTA or your TMC's have any power to force the airlines to change this practice.

The BTA have and continue to use our contacts within government to have these refund issues raised to the highest level and to have airlines resolve this situation. We are seeing improvements as some airlines are receiving bailout packages from their respective governments and their liquidity improves but equally, we know that the situation is far from perfect.

I know all the above is of little solace to the SUPC, but I want to reassure you that your TMC's, our members, have been extremely vocal in having your case heard. We will continue to support our members and their clients to seek the refunds that you are owed. As I mentioned when we spoke if you can provide me with the details of any specific airline that is of serious concern, I would be happy to speak to that airline on your behalf.

Thank you for taking the time to write to me and I am happy to speak further and offer what assistance I can.

Yours sincerely



Clive Wratten  
Chief Executive