

SUPC Travel Framework FAQs

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Travel refunds Frequently Asked Questions

Airline Refunds – the reasons behind the delays

The airlines are largely falling into 3 main categories:

1. Maintaining business as usual, and are allowing customers to process refunds. It is taking longer simply because of the huge numbers of people wanting refunds. (eg through the GDS) allow 1 month
2. A group of airlines have blocked refunds through the normal channels and customers are having to apply directly to the airline for refunds (eg no GDS) – allow 3 months
3. Airlines that are offering no immediate refunds, neither cash nor vouchers, with a refund sometime in the future – allow up to 12 months

To date, there has been a 95% drop in bookings, equivalent to £3tn, which is 4% of the global GDP.

Why are the TMCs taking so long to refund me?

The TMCs are all refunding any money from airlines as soon as they have it. The delays are being caused by the airlines, due to the huge numbers of cancellations they are processing.

Why am I getting a voucher or credit note?

The airlines simply don't have the money to make cash refunds. By issuing vouchers they are attempting not to go into liquidation.

Isn't this against the law?

Yes, the airlines know it and they also know that changing the terms of booking after issuing the ticket is also against the law, but they're doing that too. The independent travel bodies, IATA etc, are petitioning the EU to alter the law regarding refunds to prevent the collapse of any airlines.

Why is it taking so long to get my refund?

Because of the sheer numbers of cancellations and people trying to get their money back.

What happens if I get a voucher and the airline then collapses?

At present, the vouchers and credit notes are not indemnified, so you would lose that money. This is where you can either claim via credit card, or via your insurance. This is being addressed by the Business Travel Association.

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I've been issued a voucher, but that traveller won't be taking that journey now? Can I transfer the balance?

Each airline is operating slightly differently, so you'd need to check the status of each voucher. This is also being addressed by the Business Travel Association to allow the vouchers to be redeemed by any other traveller on any other route.

What are SUPC doing to support the sector?

We're writing to the Business Travel Association, with the endorsement of all our TMCs explaining the unique way in which much of travel is funded (from grants) and to explain that vouchers are not a good enough solution. We will update you when we have heard back from them.

I've got travel booked in July – can I cancel?

Yes, but depending on your fare type, you may not get a refund. If you have a regular non-flexible ticket and you cancel before the airline cancels the flight you will lose your money. If you wait for the airline to cancel, you'll get a refund, possibly in the form of vouchers or credit notes.

If the flight still goes ahead and you can't travel because of FCO guidelines or border closures at the other end, you can claim on your insurance or credit card. If you can't travel because you don't want to, or the institution has a travel ban in place, you might not get a refund from your insurer.

When I re-book my travel with my TMC, will I be charged a transaction fee?

Yes, you will, you're still making a transaction, the rebooking process with vouchers is considerably more time consuming for the TMCs and they are likely to be in a precarious financial situation having had no income for the past few months.

Do I need to pay an outstanding invoice even though I know the TMC will be giving me a refund and the tour operator is giving us refunds?

Yes, you still absolutely need to pay the invoice. The TMC still needs the cash flow and it may be sometime before they receive the refund and they will need to pay the invoice to the tour operator at their end. They probably won't have the liquidity and the tour operator, like many other organisations we've encountered in the travel industry may change their refund structure without notice.

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Which specific airlines are refusing to give refunds?

The situation has evolved over time and now that some airlines are getting government bail-outs and loans, many more are refunding. I think we ascertained that of the big carriers it was only Air Canada still refusing refunds, which would have an impact on the sector.

Some airlines forced stakeholders to take vouchers; can the BTA put pressure on airlines to allow passenger name changes on the vouchers?

This is one of many issues the BTA are working on. The BTA recognise that some of our travel will not go ahead in the way it was before, and so we'd like flexibility around who travels and when.

Are airlines offering vouchers direct to bookers or the TMCs?

Currently the vouchers are being 'held' by a particular TMC, which means that to use that voucher, you will need to book with that original TMC. This is one areas where the BTA are liaising with IATA and the airlines to give more flexibility on this.

We have a large quantity of BA points that are going to expire at the end of 2020. Is there any movement on extending the end date?

Each airline is taking a different approach on this, but many are lowering the number of points that need to be accrued to keep a certain level of loyalty, eg, gold, silver, blue etc

Can you advise on hotels? We're having some difficulty here.

The hotels should be refunding in cash, however since hotel chains are operated in different ways, it may be that one group are not behaving in the way they should. Clive Wratten said he was going to report back on that, and these questions will be updated then.

Do we have any chance of getting any refunds from the Flybe collapse?

Not really, there are a number of creditors looking recoup their investments in the airline, and so end user ticket refunds are unlikely to see any money returned.

You can always look at getting money from a credit card, or via your insurance.

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Will the lot 1 travel suppliers still charge the same amount of commission going forwards?

We haven't heard anything about price increases, but it is highly unlikely there will be any reductions. I think we have all seen just how valuable those transaction fees are when a global disaster strikes and just how much value we can get from an £8 transaction fee on a long haul flight when a traveller needs emergency repatriation.

We won't be asking for a reduction, and we will be looking carefully at the increases they request. We need to be mindful that the HE sector is a very influential customer, and we need to be responsible for our supply chains and ensure that our suppliers don't go 'under'. Given the transaction fee makes up such a small proportion when compared to the overall cost of a journey or trip, it seems imprudent to flatly refuse increases. That said, SUPC, like the other consortia, work hard to ensure that you get the best value and we do not accept price increases lightly, or without due diligence around it. You can be assured we will work with the TMCs and the members should this arise.

How quickly are the TMCs passing on refunds to customers when they get them back from the airlines/hotels?

The TMCs are refunding your money to you as soon as they get it and they're not sitting on your cash for any significant period of time.

When are the TMCs likely to come back from furlough?

They've all got teams in place for bookings, refunds and for mini-comps. They are able to bring their staff back at pretty short notice and as soon as people start travelling, they'll bring people back. Much of it depends on things like quarantine and air-bridges, and how long the government, if at all, are prepared to extend the job protection scheme for the hospitality sector. The industry has been hit hard and it is suggested that travel won't return to pre-pandemic levels until possibly 2023. This will undoubtedly mean restructures and redundancies.

What can we expect in terms of challenges for the immediate future?

It is difficult to say with so many factors to consider, such as the second wave, future lock downs, air bridges, etc. The initial challenges will be financial and keeping the industry afloat, but the government are under pressure to 'get the economy moving' and they must recognise that business travel plays a big part in that.

Will we return to the same level of account management following lockdown?

The TMCs will adjust staffing to suit the business they have going forwards. Since volume is likely to drop, it is likely that the account managers will look after many small accounts, rather than a few large accounts.

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You can rest assured that SUPC take customer service for our framework users very seriously, and we will support any institution that doesn't get the level of account management or engagement from their TMC.

Do you think there are going to be airfare increases?

It will be difficult to predict, but airlines will want to get their turnover back up and running and they won't be able to do this if prices are prohibitively expensive. Travellers may be put off if they're paying a premium for the airline to reduce capacity in line with social distancing guidelines.

If airlines don't get bail-outs or loans, what do you think the aviation industry will look like in 12 months? And is it in the government's interest to help the industry?

It is difficult to predict and depends when people are able to start flying again. The government do have an incentive where Virgin is being considered since the economy in that area and the emphasis on supporting the north needs to be considered and the effect that could have on the people of Manchester for example.

If you have vouchers and the airline went bust, would you get your money back?

No, the vouchers currently aren't indemnified, so you would lose your money. In this situation, you would need to look at your original booking process to see if you can claim via your credit card or insurance.

Are there any airlines that are looking less financially stable than others and are less preferential for future bookings?

It is somewhat dangerous speculate since lowering confidence in an airline or any business for that matter, can essentially be a self-fulfilling prophecy.