

To Ursula von der Leyen, President-elect of the European Commission By e-mail

Brussels, 30.04.2020

Subject: Should passengers accept vouchers instead of cash reimbursement? Please reply to: Josef Schneider, josef.schneider@epf.eu

Dear Ms von der Leyen

The European Passengers' Federation brings together national and regional passenger associations from more than twenty European states. It seeks to represent passengers' interests at European level, working constructively with the transport industry and policy makers.

The Coronavirus pandemic has led to travel restrictions all over the EU (and the world) and a surge of cancellations. Airlines and travel agencies are currently exerting strong pressure on passengers to accept credit vouchers instead of cash reimbursement as well as on governments to change the law in order to legalise this. What are passengers' rights? Should passengers accept vouchers instead of cash reimbursement?

The European Passengers' Federation notes that European law recognises that since the passenger is the weaker party to the transport contract, their rights should be respected. EPF cannot accept any dilution of those rights. Customers are entitled to full reimbursement – in cash, if they wish – when any travel or travel package is cancelled by the operator or travel agency. In EPF's view, it is acceptable that passengers should have the option to accept vouchers if they wish – provided that they can ask for their money back within a reasonable amount of time if they do not use the vouchers, which would also need to be insolvency protected. This would help operators with their cash-flow problems but avoid undermining the compensation-in-cash principle that is a core consumer right. If operators or travel agencies would like passengers to prefer vouchers over cash, then they are free to make those vouchers more attractive.

If the passenger does not want to or is not allowed to travel (e.g., cancellation of other parts of the itinerary, or other disinclination), EPF considers it acceptable that carriers offer vouchers – provided that the redemption time is extended for a reasonable period (which might be as much as two years, given current uncertainties).

If the decision to cancel travel lies with the operator or travel agency, any vouchers offered should fulfil the following conditions:

- After the Corona crisis, full financial refund is reinforced as standard procedure;
- Cash reimbursement must always be an option for passengers, considering there are situations in which vouchers have no use for the customer (e.g. if the travel was for a one-time event that will not re-occur);

- Vouchers are valid for a long enough period of time, e.g. two years;
- If the passenger accepts a voucher and does not use it within this period, the voucher should automatically be reimbursed in cash.

Credit vouchers should be under-written, so that any credit owed is protected should the agency or operator go out of business. This is not always the case in every European state today.

We are open for further discussion and we expect that passengers' organizations are consulted on any topic that concerns passengers.

This letter will be sent also to Commissioner Adina-Ioana Vălean of transport, DG-Move, DG-Justice, EU-Parliaments TRAN and IMCO Committee, Ms. Elisabeth Werner, Ms. Elisabeth Kotthaus.

Yours sincerely,

Josef Schneider Chairman EPF