

How Do the New Package Travel Regulations Affect my Business ?

Questions & Answers

1. Introduction

The Package Travel and Linked Travel Arrangements Regulations (otherwise known as the Package Travel Regulations or the PTRs) came into force on 1 July 2018. These new regulations replace the existing PTRs. However, the new regulations introduce a new form of package called a “Linked Travel Arrangement” (LTA), significantly expand the range of products and services that fall under the scope of the regulations, and increase the legal requirements on businesses deemed to be selling packages or LTAs.

The following Q&A has been developed to help you understand how the new regulations might impact on the products and services that you sell and provide advice on what activities remain outside their scope.

This Q&A paper is designed to be read alongside the Tourism Alliance’s Guidance on the new Package Travel Regulations. This Guidance document has greater detail on the requirements of the new Regulations, including full lists of the information requirements that need to be provided to customers who are purchasing packages or Linked Travel Arrangements.

2. Key Factors

Before providing answers to specific questions relating to the PTRs, it is important to understand five key factors that determine whether the products and services that you provide to customers fall under the scope of the new regulations.

1. **The PTRs only apply when you package together or link tourism products from two or more different tourism product categories.**

These are different tourism product categories are:

1. Transport
2. Accommodation
3. Vehicle Hire
4. Other Tourism Service
(this is any good or service that is not included in the other three categories. It can be anything from paying for attractions or activities through to purchasing a meal or guiding service)

The PTRs only apply if the products you sell combine or link goods and services from different categories. So, if you sell a customer a product that combines two nights at one hotel with two nights in a second hotel, this is not a package because both parts of the product are in the accommodation category. Similarly, if you are a leisure park selling a product that combines rides on different attractions, a personal guide and

lunch for two at your restaurant, this would not be a package as all the items are in the “Other Tourism Services” category.

However, if you sell a product that combines a night in a hotel with a ticket to an attraction, or a train fare with a stay at a B&B, the PTRs could apply because the items being combined are from different tourism product categories.

2. The PTRs only apply if the duration of the package is over 24 hours or accommodation is provided

If the product you are selling combines any two of Transport, Vehicle Hire or Other Tourism Service, the PTRs only apply if the period for which the product is provided is more than 24 hours. So, for example, the PTRs don't apply to a coach operator taking people on a day trip which includes a visit to an attraction and a meal at a restaurant.

However, if accommodation is provided, the PTRs apply regardless of the length of time. For example, if a coach operator picked up people at 5pm on Friday, took them to a hotel and then delivered them back home by 11am on Saturday, the PTR would apply even though the duration of the package was only 18 hours.

3. Other Tourism Services must be “Significant”

The PTRs will always apply to products that combine any two of Transport, Accommodation and Vehicle Hire. However, if Transport, Accommodation or Vehicle Hire are combined with “Other Tourism Service”, the “Other Tourism Service” needs to be “significant” before the PTRs apply.

Whether the Other Tourism Service is significant is measured in two ways

1. It is over 25% of the total cost

It is important to note that the 25% threshold means 25% of the total cost, not 25% of the other component. To calculate the value of “Other Tourism Service” that you can provide without being subject to the PTRs, multiply the cost of the main component you are providing by 0.33

For example, if you want to sell a product that combines accommodation with tickets to an attraction and you are selling the accommodation for £100, then you can charge up to £33 for the tickets (£33 is 25% of the total cost £133).

If you are an accommodation provider, the value of the “Other Tourism Service” that you can combine with the accommodation before triggering the 25% level will depend on how long the guest is staying. As such you could have a series of products where the value of the “Other Tourism Service” increases as the length of stay increases.

2. It is an “essential component” of the product.

What is deemed to be “essential” is somewhat subjective but relates to the reason that the customer bought the package and this, to a large degree, is based on how you sell the product. For example, if you sell a product that combines accommodation and access to the local golf club as “a Golfing Weekend” then the golf would be an essential element regardless of where it was 25% of the total price or not. However, if you sold the same product as “a weekend away” where one of the benefits was access to the local golf club, then this would not constitute an essential component.

4. The 24 Hour Booking Period

For the PTRs to apply, the different components have to be booked within 24 hours. If you are selling accommodation with tickets to an attraction for a combined price, then the PTR will apply because the two components are being booked simultaneously. However, if a customer books the accommodation and, two days later, phones back to take up your offer of discounted tickets to the attraction, this would be two separate transactions more than 24 hours apart and the PTRs would not apply.

Similarly, for an LTA to exist, the customer has to book the product of the third party within 24 hours of booking the component that you are selling. So, if you are selling accommodation and providing customers with a 20% discount on entry to a local attraction, the customer would have to book that offer within 24 hours of the accommodation booking for an LTA to be formed.

In many circumstances it will not be possible for you to know whether the customer has made the second booking within 24 hours. In this situation it is best to assume that the customer will form an LTA and comply with the requirements rather than to hope that the customer does not book within 24 hours.

5. The Customer Can Self-Package

It is important to note that the PTRs don’t just apply where you sell a combination of products to a customer. They also apply when you have products available to purchase from different categories and the customer self-packages them. It can even apply when a customer phones and says “I want to book a room for Friday night and I’ll be arriving at 8pm so can I book a table in the restaurant for 8:30pm”

Questions and Answers

1. Discount Cards

Question

We are member of a DMO with a discount card scheme. If someone stays with us, we give them a card which entitles them to 20% off the entrance price to local attractions. Does giving this card to customers mean that I am selling a package?

Answer

This is not a package because you are not selling them the card. However, it could constitute a Linked Travel Arrangement because it is a targeted offer that is only available to people who purchase accommodation. To be deemed to be LTA, the customer must use the discount card within 24 hours of making the accommodation booking and the purchase must be more than 25% of the cost of the accommodation.

What is outside PTR.

In most cases, the customer will arrive and be given the discount card more than 24 hours after the accommodation booking was made and therefore the PTRs will not apply. The only circumstances in which you would have to be careful is when there is a “walk-in” customer who could use the card within 24 hours.

This advice applies to other types of discounts or benefits that may be given to customers as a result of booking their accommodation with a particular provider, including vouchers, 2for1 offers to local attractions or the ability to use local facilities such as a local members’ only golf course or gym.

2. Travel Cards

Question

Our destination has 1 day, 3 day and 7 days public transport passes which we sell to customers so that they can travel round and see the sights. Does selling this to a customer constitute a package?

Answer

If you sold the pass to the customer at the same time, or within 24 hours if their accommodation booking, then this would constitute a Package and you would need to comply with the PTR. It is also important to note when transport is purchased with accommodation, this will always constitute a package, regardless of the cost of the transport component.

What is outside the PTRs

The PTRs will not apply if you sell the pass to your customers on arrival so that the purchase is outside the 24hour period required for the package to be formed (again, there is the proviso regarding walk-in customers).

3. Provisioning for Self-Catering Guests

Question

We operate a service for our self-catering customers whereby we will buy provisions and stock the cupboard and fridge for when they arrive. Is this a package?

Answer

Provisioning is an “Other Tourism Service” and would form a package if the cost of the provisioning exceeded 25% of the cost of the accommodation and if this service was contracted within 24 hours of the accommodation booking. Because the cost of the accommodation and the cost of the provisioning will vary for each booking, there will be times when provisioning constitutes a package and times when it will not.

What is outside the PTRs

If the customer sends you a provisioning form more than 24 hours after the accommodation has been booked, then this is treated as two separate purchases and the PTRs will not apply. So, if the day after confirming the booking, you send through the confirmation with details of the accommodation and a provisioning form for their consideration, then a package will not be formed.

4. Recommended Pubs and Attractions

Question

On my website, I provide customers with a list of recommended pubs in the area. Does this constitute a LTA?

Answer

This is a slightly grey area in the regulations as providing a list of pubs in the area is deemed to be simply providing information while recommending a preferred supplier can be deemed to be forming a LTA.

What is outside the PTR

Our view is that as long as you are providing customers with a range of options then the PTRs do not apply as you are providing information rather than directing customers to a preferred supplier. So, provided that you give the customer a range of options, there is no problem with listing the contact details and providing website links to other businesses on your website.

It is advisable to present the information and links in a neutral manner rather than using phrases such as “we recommend” and this would imply that the business was a preferred supplier. It is important to note that providing a range of options does not mean that you have include all businesses, even if they are poor. You can restrict your list to businesses that you think are of a high standard.

5. Route or Itinerary Planners

Question

My business is linked to a website which allows people to plan an itinerary, staying at different places and visiting a range of attractions. Does this mean that I'm part of a package?

Answer

When a website lists a range of tourism products and services, determining whether a package is formed depends on the booking process. If the itinerary planning site does not undertake any booking but is simply providing information and links to individual businesses such as yours where the customer books directly, then the itinerary is a series of separate bookings and does not constitute a package. If, however, the website has a centralised booking facility – either online or through a call centre – then this could form a package depending on the type and value of the products purchased. However, in these circumstances, it is the operator of the website who is deemed to be forming the package that is responsible for complying with the PTRs.

6. Destination Websites

Question

We are the DMO for our local area and have the products and services provided by our members listed on our website. Do we have to comply with the PTRs?

Answer

As with Itinerary planning sites, a lot depends on how the products and services that you advertise on the website are booked. If you are providing a booking service for your members that allows customers to pay for different services at the same time, or within 24 hours, this will constitute a package.

What is outside the PTR

If the customer has to click-through to your member's website to make a booking directly with them, then you are simply providing information and signposting the customer to the supplier. This does not constitute a package or a LTA.

7. Dinner, Bed and Breakfast Deals

Question

As well as just providing accommodation, I also provide customers with a range of options including 'Bed and Breakfast and Dinner', and 'Bed and Breakfast'. Are these packages?

Answer

Under the BEIS Guidance, if you are providing services in addition to accommodation that can be purchased separately then this would constitute a package, provided that the cost of the meals was greater than 25% of the total cost.

What is outside the PTR

To continue to provide this type of offer outside the scope of the PTRs, businesses can review their pricing structure so that deals that include meals are less than 25% more than the cost of their "accommodation only" products.

8. Meeting or Conference Organisation (Accommodation Provider)

Question

I run an hotel and am organizing a meeting for the staff of a business customer. The event includes hiring a meeting room, overnight accommodation for everyone and the evening meal. Is this covered by the PTRs?

Answer

Meetings, away-days and seminars are not covered by the PTRs provided that they are less than 24 hours and do not include accommodation. If the event includes the provision of accommodation, then the PTRs apply, provided that the components other than the accommodation are greater than 25% of the total cost. However, the case could reasonably be made that the inclusion of a conference room was an essential component of a conference package.

What is Outside the PTR

If you are putting together a meeting or conference package for business customer there is scope for flexibility on pricing so that the accommodation was provided at the full rate while the cost of the meeting room and the meal were heavily discounted to make the overall cost competitive and so the non-accommodation components are less than 25% of the total cost. In this situation it would be important to provide the cost breakdown in the quote and invoice.

9. Meeting or Conference Organisation (Conference Organiser)

Question

My business specializes in organizing events and conferences for customers. Do the PTRs apply to my work?

Answer

There are a number of different conference packages that you could be providing so it's best to look at these separately.

- Organizing a day conference or event will generally be outside the scope of the PTRs as it will be less than 24 hours and accommodation is not included.
- If you are providing accommodation as part of the conference package, then this will probably constitute a package regardless of whether the cost of the conference is less than the 25% of the total cost because the conference itself is an essential component of what you are selling.
- If you are just staging the conference, but have organized delegate rates with local hotels, then this will constitute a LTA if the customers books their hotel within 24 hours of booking a place at the conference.
- If the conference lasts more than 24 hours (eg, a two day conference) and you are providing transport to/from the venue for delegates, then this could form a package

or a LTA depending on whether you are taking the transport booking or the delegate books separately with the transport operator

What is Outside the PTR

If you are putting together a meeting or conference that includes a dinner, activities and excursions (including sightseeing trips), then this would be outside of the scope of the PTRs because all the services provided are from the “Other Tourism Services” category.

10. Arranging Activities for Customers

Question

I have a group of customers coming to stay who would like me to organize Clay Pigeon Shooting for them while they are here. Would this be covered by the PTRs?

Answer

Whether this is within the scope of the PTRs is dependent upon the cost, who the payment is made to, and when the payment is made. Provided that the cost of the activity is more than 25% of the cost of the accommodation, this would be a package if you are taking the payment for both clay pigeon shooting and passing this on to the operator or a LTA if the payment is direct with the operator.

What is Outside the PTRs

If the booking for the clay pigeon shooting is made separately and more than 24 hours after to the accommodation booking, then the PTRs do not apply. This is regardless of whether you take the booking for the activity or this is done directly with the provider. So, if you take the accommodation booking and then come back to the customer the next day after checking the availability and cost of the clay pigeon shooting to confirm a separate booking for that, then the PTRs do not apply.

However, be aware that if the customer is booking their accommodation with you on the basis that you are organizing the clay-pigeon shooting, then this would probably constitute a package because it is an essential component of why they are staying with you.

11. Coach Trips to an Attraction

Question

We take elderly people on day trips to the seaside which includes lunch and a visit to the amusement pier – is this a package?

Answer

As long there is no accommodation in the offer and the duration of the package is less than 24 hours, this is outside the PTRs regardless of what activities are included in the daytrip.

12. Brought-in Services

Question

I have a group coming to stay who have asked for a private chef while they are here. If I get a chef in, does this mean that I'm now selling a package?

Answer

If the guests are providing their own chef, then this is outside the PTRs.

However, if you are providing the chef, then this could well come under the provisions of the PTR. If the cost of the private chef is included in the accommodation booking (or is booked separately within 24 hours), and the cost of the chef is more than 25% of the total cost, then the PTRs will apply.

If the chef is booked through you within 24 hours of the accommodation booking, then this will be a Package, while if the guests book directly with a chef you have recommended within 24 hours, then this will be a LTA.

What is outside the PTR.

If you provide the guests with a list of private chefs that they can book, then this is outside the scope of the PTRs as you are simply providing information and they have a choice of supplier.

Also outside the scope of the regulations is when a customer books the accommodation and then comes back to you after 24 hours to book a private chef. So, if the option of a private chef is included in the booking confirmation and the guests discuss this and come back to confirm the booking the next day, the PTRs would not apply.

This applies for other bought-in services that guests might request including a beautician or a yoga instructor.

13. Occasional Packages

Question

We are a Trade Association that holds an annual Conference for members including accommodation and activities at local attractions – do we have to comply with the PTRs?

Answer

People and organisations that do not organise Packages as part of their core business but do so on an occasional basis do not have the PTRs, regardless of whether the package includes accommodation or transport. This applies to clubs, schools providing school trip and businesses hold events.

So, if you are trade association organizing an annual conference for your members, then this will be outside the scope of the regulations. However, if you organize events on a regular basis as a part of your organisation's activities then the PTRs will apply.