

DIDIER REYNDERS MEMBER OF THE EUROPEAN COMMISSION JUSTICE

> Brussels, 4 May 2020 Ares(2020) 2355944 s

Dear Vice-Chancellor and Minister Scholz,

Dear Minister Lambrecht,

Dear Minister Altmaier,

Thank you for your letter of 6 April 2020 in which you call for harmonised EU-wide measures to address the difficulties of travel agents and tour operators in the current COVID-19 crisis. In particular, you suggest that the Package Travel Directive should be amended in order to allow travel organisers to issue vouchers instead of cash refunds for cancelled trips. Those vouchers should be secured against the organiser's insolvency and refundable at the end of their validity. You also suggest that consumers in financial difficulties should continue to be able to claim cash refund (hardship clause). Your letter received my fullest attention and I discussed it also with the Commissioner for Transport and the Commissioner for Internal Market.

Indeed, the pressure on the EU's travel and tourism sector is unprecedented. This sector is one of the most hit, affecting small and large companies. This has triggered calls to suspend the rights of consumers under Directive (EU) 2015/2302 and to allow mandatory vouchers to help the companies facing a severe lack of liquidity.

There is no doubt that the reimbursement obligation poses significant immediate liquidity problems for organisers and travel agencies offering package tours. I understand the need to support the industry. Nonetheless, consumer protection must be preserved, especially as many consumers are also affected by the crisis. For me, it is also a matter of trust on which the travel and tourism industry should re-build their recovery.

A way forward is to offer to consumers a pragmatic and attractive voluntary alternative to reimbursement. In this sense, the tour organisers could offer credit notes ("vouchers") under certain conditions. First, travellers should have the choice to accept the voucher and be able to request a full refund if they have not used it by the

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end of its validity. In addition, such vouchers should be covered in the event of insolvency of the travel organiser. Member States should ensure that such (existing) insolvency protection is sufficiently robust to guarantee those vouchers.

All stakeholders could together explain and develop the benefits that voluntary and secured vouchers can offer for most consumers. It is also true that some consumers, the most vulnerable ones, would still need to obtain a direct refund from operators.

At the same time, Member States could consider, in accordance with State aid rules, providing for measures to support the travel industry in order to, inter alia, allow the reimbursement for travel services that cannot be provided.

Furthermore, it is the Commission's position that a coordinated solution in response to the COVID-19 crisis is essential. In this regard, I work closely together with Commissioner Vålean and Commissioner Breton to find the most appropriate solution and ensure that consumers' rights are preserved, while the travel and tourism sector is supported. We are analysing the different options that you and other Member States and stakeholders proposed in order to take a realistic decision and strike the right balance for everybody.

I would be glad to further discuss this issue with you and look forward to our continuous cooperation.

Yours sincerely,

(e-signed)

**Didier REYNDERS**