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From:

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To:

Cc:

Subject: Trailfinders Response: Reforming Competition and Consumer Policy: Driving growth and delivering competitive markets that work for consumers

Sensitivity: Normal

Dear Sirs

On behalf of Trailfinders (Company number 01004502 & ATOL number 1458) please see our submission on the document Reforming Competition and Consumer Policy: Driving growth and delivering competitive markets that work for consumers.

Q49. Are there perverse incentives or unintended consequences from our existing consumer law?

S75 Charge back claims effectively turn the scheme providers into a judicial body, allowing them to grant or deny consumer claims based on their interpretation of the law or the consumer contract. We have seen different outcomes to the same circumstances. The lack of consistency in application is confusing for consumers and businesses alike. The lack of order to this process leads to double recovery – with no mechanism. The CMA would do a good job regulating this area.

Q52. What other sectors might new powers regarding prepayment protections be usefully applied to?

Without question the Travel Sector. No other industry has such weak protection for consumer's money, with embezzlement of Client funds still legal – like no other industry. The notion that a Travel Organiser can effectively pay bonuses and keep the lights switched on with client money per travel is scandalous. Client money should be safeguarded until the traveller has completed their travels. We have shared our ATOL consultation with the CMA which expands upon this. During the pandemic many travel companies have broken the law on refunds. The CAA who could have revoked or restricted ATOL licences have been silent – the CMA have done their best, but the threat of legal action in two years time is distant: Give the CMA powers to address this with fines at the very least.

Gift vouchers. Consumers do not realise that when they exchange their cash for a giftvoucher, that they have no guarantee that their funds are safeguarded for the lifetime of that voucher. This is unregulated and when companies fail vouchers typically have no value. The money should be safeguarded in trust until the voucher is spent. Whilst many vouchers are of small value in the context of wedding lists and honeymoons the sums can be significant. When Traifinders issues a gift voucher the cash is ring fenced until the voucher is redeemed.

Q55. Do you agree with government's proposal to empower the CMA to enforce consumer protection law directly rather than through the civil courts?

Yes. Speed is key in preventing anti-consumer behaviour.

Q62. What enforcement powers (or combination of powers) should be available where there is a breach of a consumer protection undertaking to best incentivise compliance?

- High level fines based on turnover (much like GDPR)
 - Publicly naming those companies that breach consumer rules
 - A requirement that where the CMA investigates, it carries with it the duty to disclose the investigation and the outcome to the businesses relevant regulator or licensing body.
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- Compel the businesses regulator or licensing body to suspend / restrict any relevant licence until compliant.

Yours faithfully



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