

PART 8 OF THE ENTERPRISE ACT 2002 (EA02)

UNDERTAKINGS TO THE COMPETITION AND MARKETS AUTHORITY UNDER SECTION 219 OF THE EA02 RELATING TO:

- **THE CONSUMER PROTECTION FROM UNFAIR TRADING REGULATIONS 2008; AND**
- **PART 2 OF THE CONSUMER RIGHTS ACT 2015.**

Sykes Cottages Ltd, registered office One City Place, Queens Road, Chester, Cheshire, CH1 3BQ, and its subsidiary Companies as listed further below:

Each Company, in respect of itself:

Voluntarily gives the following undertakings to the CMA under section 219 of the EA02.

For the avoidance of doubt these undertakings relate to the CMA's consumer law investigation into holiday accommodation rentals, and do not amount to an admission that any person has infringed the law.

UNDERTAKINGS

In accordance with section 219(4) and section 219(B) of the EA02, Each Company undertakes: (i) on its own behalf; and (ii) in respect of any third party acting in its name with its authority or on its behalf with its authority:

- not to engage in any conduct which contravenes paragraphs 1 to 10 below;
- not to engage in such conduct in the course of its business or another holiday accommodation business; and
- not to consent to or connive in the carrying out of such conduct by a body corporate with which it has a special relationship (within the meaning of section 222(3) of the EA02).

Interpretation

Defined terms are set out in paragraph 11 below. When a date or time period is specified, the obligation must be met by 17:00 hours in the time zone of the United Kingdom on the relevant day.

1. Each Company will offer a Refund to every Affected Consumer whose Booking was due to commence during the Initial Lockdown Period.
2. From the day after the date these Undertakings commence, Each Company will not, in any way, other than in respect of usual operational error which Each Company will use all reasonable endeavours to minimise, dispute a chargeback relating to a Booking of an Affected Consumer; and to the extent any such chargeback has been so successfully disputed by Each Such Company, Each

Such Company will offer a Refund to each such of its Affected Consumers whose Booking was due to commence during the Initial Lockdown Period.

3. The offer of a Refund will be made before 31 July 2020 in respect of Bookings that were due to commence during the Initial Lockdown Period, save that where an offer of a Refund has already been communicated to an Affected Consumer in the manner prescribed by these Undertakings, the offer need not be repeated.
4. The offer of a Refund will remain open for acceptance by the Affected Consumer for at least the Offer Period. Each offer of a Refund will be made by communicating its availability clearly to every Affected Consumer, by using the following means of communication:
 - a. sending an email to the Affected Consumer (where the Affected Consumer's email address is known), or
 - b. telephoning the Affected Consumer, or
 - c. sending a letter to the Affected Consumer's address (where the Affected Consumer's email address is not known, the email is undelivered, or it has not been possible to speak to the Affected Consumer on the phone, as applicable).
5. Each Company will place (where not already done so) and maintain, until the earlier of 14 October or when there are no further Refunds to be paid by it pursuant to these Undertakings, a clear and prominent notification on the Covid-19 webpage of all of its websites (as listed in Annex A but excluding the websites listed in Annex B) and on all of its social media sites; and Each Company will ensure that the Covid-19 webpage is clearly and prominently accessible from the homepage of all of its websites (as listed in Annex A but excluding the websites listed in Annex B) and all of its social media sites.
6. Each Company will use all reasonable endeavours to ensure that where an Affected Consumer of the Company accepts the offer of a Refund, such Refund will be processed and paid to such Affected Consumer within 30 working days of the Refund offer being accepted by the Affected Consumer. Where for any reason a Refund is not paid to its Affected Consumer within this timeframe, Each Company will continue to endeavour to make the Refund and will record the steps taken to process the Refund, and the reasons why the payment has not been made.
7. Each Refund will be made: (i) using the same currency; and (ii) using the same method(s) of payment; used by the Affected Consumer to pay for their Booking. In the event that it is not possible or is impracticable to use this method of payment, the Refund will be made by BACS to the Affected Consumer's Bank Account or where the relevant details are unknown or impractical to implement then by a reasonable suitable payment method of the Affected Consumer's choice.
8. If the Affected Consumer does not accept the offer of a Refund within the Offer Period (and has not rebooked), on the expiry of the Offer Period their entitlement

will automatically convert to a voucher or credit note which is (for Sykes) at least 110% of the value of the outstanding Commission or which is (for Pure and Carbis) at least 100% of the value of the outstanding Commission; and for Each Company, cash in respect of the balance of the total sum that the Affected Consumer has paid in respect of the Booking (less any amount already previously refunded).

9. Where a Refund is offered, Each Company may also offer a voucher, credit note or re-booking, provided that, the following requirements are followed:

- a. the offer of the Refund is communicated with as much prominence as any offer of a voucher, credit note or re-booking;
- b. the offer of a voucher or credit note is only offered in respect of Commission;
- c. For:
 - i. Sykes, the voucher or credit note is for a value which is at least 110% of the cash equivalent of the Commission;
 - ii. Pure and Carbis, the voucher or credit note is for a value which is the cash equivalent of the Commission;
- d. the voucher or credit note will remain valid for 24 months; and
- e. Each Company's voucher or credit note will be able to be used in respect of any existing or future booking with Each Such Company.

10. Without prejudice to any further information notice the CMA may send, Each Company will also provide the CMA with a report within 10 working days of the end of July, August and September 2020, such report to cover the calendar month just passed. The first such report shall be due on 14 August 2020 covering the period up to 31 July 2020, the second such report shall be on 14 September 2020 covering the period up to 31 August 2020, and the third such report shall be due on 14 October 2020. Each report by Each Company shall set out:

- a. the total number of its Affected Consumers' Bookings affected by and due to take place during the Initial Lockdown Period and the total value of the payments received by Each Such Company with respect to those Bookings;
- b. the total number and value of Refund offers made so far by Each Such Company;
- c. the total number and value of Refund offers accepted by Each Such Company; and
- d. in respect of every payment of a Refund which has not been processed or where the Refund has not left the relevant Company's bank account within 30 working days, in accordance with paragraph 6 above, the steps that

that Company has taken to make that Refund, and the reasons why the Refund has not been made yet.

11. Definitions

- a. "Company" means (as applicable):
- i. **Sykes Cottages Ltd**, English company number 04469189 ("**Sykes**");
 - ii. The following 5 companies:
 1. **Traditional Lakeland Cottages Ltd**, English company number 04120468;
 2. **Heart of the Lakes Ltd**, English company number 11617441;
 3. **Lake District Lodge Holidays Ltd**, English company number 08451719;
 4. **Character Cottages Holidays Ltd**, English company number 05519222;
 5. **Rock Estates (Cornwall) Ltd**, English company number 00986821;(together "**Pure**"); and
 - iii. **Printcater Limited**, English company number 02779888 ("**Carbis**");
- b. "Each Company" and "Each Such Company" mean:
- i. in the case of Sykes, its business carried on through the websites in Annex A, Part 1 and on the phone;
 - ii. in the case of Pure (each company respectively within the definition of Pure), its business carried on through the websites in Annex A, Parts 2, 3, 4, 5 and 6 respectively and on the phone; and
 - iii. in the case of Carbis, its business carried on through the websites in Annex A, Part 7 and on the phone;
- and the obligations of each of the preceding seven companies are several and in respect of itself only.
- c. "Refund": a cash payment of the total sum that the Affected Consumer has paid in respect of the Booking (less any amount already previously refunded in cash) and for the avoidance of doubt does not include a voucher or credit note.

- d. "Affected Consumer": the person who made the Booking, which person means both any person who is domiciled in the UK, and any person who booked to stay in a property in the UK; but excluding:
- i. any person who has already obtained a Refund (whether through an owner, a Company, insurance or any combination or otherwise),
 - ii. any person who rebooked or cancelled their Booking before 23 March 2020,
 - iii. any person who rebooked their Booking after being offered a combination cash/credit refund together with the opportunity to rebook (whether or not accompanied by an offer of a Refund),
 - iv. any person who had a Booking which was due to take place between 15 April and 3 July (for England) or 12 July (for Wales) or 2 July (for Scotland) or 26 June (for Northern Ireland) (each such end date respectively being the "Lockdown End Date"), and who rebooked this to commence on a date after the respective Lockdown End Date; provided that where that person or a member of their party was a Vulnerable Person during any of the dates of the original Booking, the relevant Company will make a Refund to that person if that person requests a Refund,
 - v. any person who has received and fully redeemed a voucher or credit note in respect of a cancelled Booking (and to the extent a voucher has not been fully redeemed any obligations in these Undertakings in respect of a Refund shall refer to the non-redeemed portion of such a voucher or credit note only),
 - vi. any person who has actively requested a voucher or who has rebooked their holiday in lieu of a Refund offered to them at the same time as the voucher or who does so in future, and
 - vii. any person who raised a chargeback and is receiving the total sum paid for the Booking through that process or who does so in future.
- e. "Booking": a contract for the provision of holiday accommodation (whether or not in the UK) facilitated directly by Each Company through the websites against its name in the relevant Part of Annex A and on the phone; but excluding, any booking made through the websites listed at Annex B.
- f. "Offer Period" means 30 days after the offer of a Refund pursuant to paragraph 3 above has been communicated as required by paragraphs 4(a), (b) and (c) above; provided that in the case of an Affected Consumer who has not by the expiry of that period taken action to respond to the offer of a Refund (by accepting either the Refund, or the offer of any measure made available under paragraph 9 above), the Offer Period shall be extended to 7 days after Each Such Company shall have communicated one further communication (which shall be communicated

within 8 days before the expiry of the Offer Period) to that Affected Consumer to remind them to take action.

- g. “Commission”: the difference between the total amount paid by an Affected Consumer in respect of a Booking and the net amount that the owner would have received and/or is due to receive from that total amount had that Booking taken place.
- h. “Initial Lockdown Period”: the period from 23 March 2020 to whichever is the later of:
 - i. 3 July 2020 (or such shorter date as may be announced by the relevant one of the UK governments, that the restrictions on the self-catering accommodation industry in the Relevant Legislation no longer apply) where either the accommodation which is the subject of the Booking or the Affected Consumer is located in England,
 - ii. 12 July 2020 (or such shorter date as may be announced by the relevant one of the UK governments, that the restrictions on the self-catering accommodation industry in the Relevant Legislation no longer apply) where either the accommodation which is the subject of the Booking or the Affected Consumer is located in Wales,
 - iii. 2 July 2020 (or such shorter date as may be announced by the relevant one of the UK governments, that the restrictions on the self-catering accommodation industry in the Relevant Legislation no longer apply) where either the accommodation which is the subject of the Booking or the Affected Consumer is located in Scotland,
 - iv. 26 June 2020 (or such shorter date as may be announced by the relevant one of the UK governments, that the restrictions on the self-catering accommodation industry in the Relevant Legislation no longer apply) where either the accommodation which is the subject of the Booking or the Affected Consumer is located in Northern Ireland.
- i. “Vulnerable Person”: a clinically extremely vulnerable or clinically vulnerable person who produces reasonable evidence to demonstrate that they fell into the definition specified by the NHS at <https://www.nhs.uk/conditions/coronavirus-covid-19/people-at-higher-risk/whos-at-higher-risk-from-coronavirus/> during any of the dates of the relevant Booking.
- j. “Relevant Legislation” at any point in time means the following legislation, in the form it exists at that point in time:
 - i. For England: The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020
 - ii. For Wales: The Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020

- iii. For Scotland: The Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020
- iv. For Northern Ireland: The Health Protection (Coronavirus, Restrictions) Regulations (Northern Ireland) 2020.

BY SIGNING THESE UNDERTAKINGS SYKES COTTAGES LTD, PURE AND CARBIS ARE AGREEING THAT THEY WILL SEVERALLY BE BOUND BY THEM.

THESE UNDERTAKINGS REPRESENT A COMMITMENT IN RELATION TO FUTURE COMPLIANCE BY SYKES COTTAGES LTD, PURE AND CARBIS WITH CONSUMER PROTECTION REGULATION AND PRACTICE. THESE UNDERTAKINGS DO NOT AMOUNT TO AN ADMISSION THAT ANY PERSON HAS COMMITTED ANY CRIMINAL OFFENCE OR OTHERWISE INFRINGED THE LAW.

IF HAVING SIGNED THIS DOCUMENT SYKES COTTAGES LTD, PURE OR CARBIS BREACHES ANY OF THE ABOVE UNDERTAKINGS, THEY ARE AWARE THAT THEY MAY BE THE SUBJECT OF AN APPLICATION TO THE COURT FOR AN ENFORCEMENT ORDER UNDER SECTION 215 OF THE EA02.

THE CMA WILL CONSIDER VARYING OR TERMINATING THE UNDERTAKINGS, EITHER UPON REQUEST FROM SYKES COTTAGES LTD, PURE OR CARBIS OR UNDER THE CMA'S OWN INITIATIVE, WHERE THERE HAS BEEN A CHANGE OF CIRCUMSTANCES SUCH THAT THE UNDERTAKING IS NO LONGER APPROPRIATE IN DEALING WITH THE ISSUES IT WAS DESIGNED TO REMEDY (EG IF THE UNDERTAKING IS AFFECTED BY NEW LEGISLATION OR CHANGES IN MARKET CONDITIONS).

Signed on behalf of Sykes Cottages Ltd, Pure and Carbis

1 July 2020

ANNEX A

(List of Each Company's websites covered respectively for Each Company)

Part 1 – Sykes Cottages Ltd websites

sykescottages.co.uk
hogansirishcottages.com
coastandcountry.co.uk
cornishcottageholidays.co.uk
cwlcot.com (redirects to sykescottages.co.uk)
devonshirecottageholiday.co.uk (redirects to sykescottages.co.uk)
dream-cottages.co.uk
fabulousstays.co.uk (redirects to sykescottages.co.uk)
helpfulholidays.co.uk
hideaways.co.uk
lakescottageholidays.co.uk
lakescottageholiday.co.uk
manorcottages.co.uk
menaiholidays.co.uk
yorkshirecoastalcottages.com
welsh-cottages.co.uk

Part 2 – Traditional Lakeland Cottages Ltd websites

lakelovers.co.uk
lakeloversgold.com

Part 3 – Heart of the Lakes Ltd websites

heartofthelakes.co.uk
pullwoodbay.com
underscar-holidays.co.uk

Part 4 - Lake District Lodge Holidays Ltd websites

lakedistrictlodgeholidays.co.uk

Part 5 - Character Cottages Holidays Ltd

character-cottages.co.uk

Part 6 - Rock Estates (Cornwall) Ltd

johnbraycornishholidays.co.uk

Part 7 - Printcater Limited websites

carbisburyholidays.co.uk

ANNEX B
(List of Booking websites excluded)

[Businesses not relevant to UK consumers, or where customers' bookings are with other companies]