

## **PART 8 OF THE ENTERPRISE ACT 2002 (“EA02”)**

### **UNDERTAKINGS TO THE COMPETITION AND MARKETS AUTHORITY (“CMA”) UNDER SECTION 219 OF THE EA02 RELATING TO:**

#### **THE PACKAGE TRAVEL AND LINKED TRAVEL ARRANGEMENTS REGULATIONS 2018**

Virgin Holidays Limited, Virgin Atlantic Airways Limited, and Virgin Atlantic Limited, each of registered office The VHQ, Fleming Way, Crawley, West Sussex, United Kingdom, RH10 9DF (together “Virgin Holidays”) each 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 Package holiday terminations, and do not amount to an admission that any person has infringed the law.

Virgin Holidays has fully co-operated and constructively engaged with the CMA. The CMA accepts these Undertakings on the basis of Virgin Holidays' assurances as to:

- (i) its future conduct regarding discharging its obligations under Regulations 12, 13, and 14 of the Package Travel and Linked Travel Arrangements Regulations 2018; and
- (ii) the steps it has already taken to comply with these obligations.

## **UNDERTAKINGS**

In accordance with sections 219(4) and 219B EA02, Virgin Holidays undertakes: (i) on its own behalf<sup>1</sup>; 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 2 to 6 below;
- not to engage in such conduct in the course of its business or another Package holiday business; and

---

<sup>1</sup>The reference to Virgin Holidays' “own behalf” shall include circumstances where, following the date of these Undertakings, any new or existing subsidiary of Virgin Holidays begins selling package holidays, in which case Virgin Holidays shall procure their compliance with these Undertakings, where relevant and to the extent the Undertakings remain applicable, until such time as the subsidiary ceases to be owned or controlled by Virgin Holidays.

- 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) EA02).

## Interpretation

1. Defined terms are set out below.

- (1) When a date or time period is specified, the obligation must be met by 17:00 hours in the time zone of the UK on the relevant day.
- (2) **“Affected Booking”** means a Package Travel Contract that has been terminated:
  - i. by or on behalf of Virgin Holidays from 17 March 2020; or
  - ii. by a Traveller from 17 March 2020; and
  - iii. in either case, in connection with the COVID-19 pandemic in circumstances where the Traveller would be entitled to a Refund under the PTRs.
- (3) **“Affected Traveller”** means a Traveller in respect of an Affected Booking who made a payment to Virgin Holidays but excluding-
  - i. Any person who has already obtained a Refund;
  - ii. Any person who has received and fully redeemed a Travel Voucher;
  - iii. Any person with a disputed debit or credit card chargeback claim or a disputed claim under s 75 of the Consumer Credit Act 1974, in respect of an Affected Booking; and
  - iv. Any person who has rebooked the Package holiday with Virgin Holidays.
- (4) **“Cancellation Fee”** means any fee charged by Virgin Holidays in relation to the termination of an Affected Booking in contravention of the provisions of the PTRs, including for the avoidance of doubt, amendment fees and fees deducted automatically or otherwise withheld.
- (5) **“Cash”** means any bankable method of payment.
- (6) **“Package”** has the meaning set out in regulation 2(5) of the PTRs.

- (7) **“Package Travel Contract”** means a contract on a Package as a whole or if the Package is provided under separate contracts, all the contracts covering the travel services included in the Package.
- (8) **“PTRs”** means The Package Travel and Linked Travel Arrangements Regulations 2018.
- (9) **“Refund”** means a repayment in Cash of the total sum that the Affected Traveller has paid in respect of the Affected Booking, including any Cancellation Fee (less any amount previously refunded). For the avoidance of doubt, it does not include a Travel Voucher.
- (10) **“Traveller”** means any individual who has concluded a contract or is entitled to travel on the basis of a contract concluded for the provision of a package holiday with Virgin Holidays, within the scope of the PTRs.
- (11) **“Travel Voucher”** means a voucher provided by Virgin Holidays which can either be used to book a future holiday with Virgin Holidays or converted to a Refund.
- (12) **“Virgin Holidays”** means -
- i. Virgin Holidays Limited, company registered number 01873815;
  - ii. Virgin Atlantic Airways Limited, company registered number 01600117; and
  - iii. Virgin Atlantic Limited, company registered number 08867781.

## **Refunds**

2. Virgin Holidays will ensure that Refunds will be made in respect of Affected Bookings and that they will generally be processed in chronological order. Payment of Refunds to Affected Travellers shall be made without undue delay and in any event within the following time limits:
- 1) By 30 October 2020, where termination of the Affected Booking occurred before 1 September 2020; or
  - 2) By 20 November 2020, where termination of the Affected Booking occurred between 1 September 2020 and 31 October 2020.

## Future Obligations

3. Where termination of a Package Travel Contract occurs on or after 1 November 2020, in circumstances where the Traveller would be entitled to a full refund under the PTRs, Virgin Holidays will ensure that:
  - 1) Processes are put in place to ensure that refunds are paid without undue delay and, in any event;
  - 2) refunds are paid not later than 14 days after the termination of the Package Travel Contract.

## Reporting

4. Without prejudice to any further information notice<sup>2</sup> sent by the CMA, Virgin Holidays will provide the CMA with an initial report on 30 November 2020 in relation to the Affected Bookings falling within the scope of paragraph 2 of these Undertakings. The report will provide the following information:
  - 1) The total number of Affected Bookings.
  - 2) Where a Refund has been made to the Affected Traveller:
    - i. The number of Affected Bookings for which payment of the Refund was made within the time limits set out in paragraph 2; and
    - ii. The number of Affected Bookings for which payment of the Refund was made outside of the time limits set out in paragraph 2.
  - 3) For each of the Affected Bookings where a Refund has not been paid to the Affected Traveller as at the date of the report:
    - i. an explanation as to why these payments have not been made yet; and
    - ii. the steps that Virgin Holidays has taken to make the outstanding payments; and
    - iii. confirmation of when these payments will be made.
5. Following the initial report referred to in paragraph 4 above, Virgin Holidays will provide the CMA with further reports in relation to the Affected Bookings falling within the scope of paragraph 2 of these Undertakings. These reports

---

<sup>2</sup> Under Part 3 of Schedule 5 to the Consumer Rights Act 2015.

will be provided to the CMA on or before 31 December 2020, 31 March 2021, 30 June 2021 and 30 September 2021, until such time as there are less than 100 Affected Bookings where a Refund is still due (based on Virgin Holiday's best estimates having exercised appropriate due diligence). Each report will cover the period since the previous report (including the initial report referred to in paragraph 4 above) and will provide the following information:

- 1) the total cash value of the outstanding Refunds and total number of associated Affected Bookings; and
  - 2) an explanation as to why these payments have not been made yet; and
  - 3) the steps that Virgin Holidays has taken to make the outstanding payments; and
  - 4) confirmation of when these payments will be made.
6. Virgin Holidays will also provide reports in relation to the Package Travel Contracts falling within the scope of paragraph 3 of these Undertakings. Each report will cover the period since the previous report (and for the first report, the period from 1 November 2020) and will be provided to the CMA on or before 31 December 2020, 31 March 2021, 30 June 2021 and 30 September 2021. They will provide the following information:
- 1) The total number of Package Travel Contracts which have been terminated by Virgin Holidays or the Traveller in circumstances where the Traveller would be entitled to a full refund under the PTRs; and
  - 2) A break down by number of the Package Travel Contracts referred to in sub-paragraph 1 above in respect of which:
    - i. the Traveller has been paid a refund;
    - ii. the refund was paid not later than 14 days after the termination of the Package Travel Contract;
    - iii. the refund was paid later than 14 days after the termination of the Package Travel Contract;
    - iv. the payment of the refund remains outstanding as at the date of the report.

- 3) Such other information as the CMA reasonably requests and notifies in writing relevant to the discharge of these Undertakings.

**BY SIGNING THESE UNDERTAKINGS VIRGIN HOLIDAYS ARE AGREEING THAT THEY WILL BE JOINTLY AND SEVERALLY BOUND BY THEM.**

**THESE UNDERTAKINGS REPRESENT A COMMITMENT BY VIRGIN HOLIDAYS IN RELATION TO FUTURE COMPLIANCE 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 VIRGIN HOLIDAYS 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 VIRGIN HOLIDAYS 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 Virgin Holidays Limited**

**Signed on behalf of Virgin Atlantic Airways Limited**

**Signed on behalf of Virgin Atlantic Limited by**

**Date**

12 October 2020

.....