



Department for  
Business & Trade

# **Package travel – updating the framework 2025**

7 April 2025

## Contents

Consultation details	3
Ministerial foreword	5
Why we are consulting	7
The government's objectives for the PTRs	7
How the PTRs work	8
Definitions	9
What the government is proposing	10
How rules should apply to UK-only package holidays	11
Regulation of linked travel arrangements (LTAs)	14
Flexibility over how insolvency protection is provided	17
Territorial restrictions on insurance cover	20
How other tourist services form part of the rules	21
Redress from third parties	24

## Consultation details

Issued: 7 April 2025

Respond by: 11:59pm, 30 June 2025

## How to respond

We encourage you to [respond online](#).

If you are unable to use the online survey, please email your response to [packagetravel@businessandtrade.gov.uk](mailto:packagetravel@businessandtrade.gov.uk).

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

## Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation:

- the Freedom of Information Act 2000
- the Data Protection Act 2018
- the Environmental Information Regulations 2004

If you want the information that you provide to be treated as confidential, please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our privacy policy.

We will publish a government response on GOV.UK.

## **Quality assurance**

This consultation has been carried out in accordance with the government's consultation principles.

If you have any complaints about the way this consultation has been conducted, please email: [enquiries@businessandtrade.gov.uk](mailto:enquiries@businessandtrade.gov.uk).

## **Ministerial foreword**

Going on holiday is a much-loved and much anticipated part of the year. It is also a significant expense for consumers. It is therefore imperative that the legal framework provides them with appropriate protections, so they can book and enjoy package holidays with confidence.

Equally, our regulatory frameworks should help UK business succeed and grow.

The UK government and the travel industry have a long history of working together to ensure holidaymakers enjoy both a vibrant travel market, offering a wide range of options and strong legal protections.

With the emergence of the package travel market, the government established the Air Travel Organisers Licence (ATOL) scheme in 1973, followed by the first Package Travel Regulations in 1992. The current 2018 Package Travel and Linked Travel Arrangements Regulations (PTRs) set the framework for the sector and are built upon this history.

The PTRs are retained EU law and were last modernised in 2018.

The PTRs set out requirements on organisers of package holidays to provide sufficient security for repatriations and refunds in the rare event of their own insolvency. The ATOL scheme fulfils this obligation for package holidays that include a flight. The Secretary of State for Transport is responsible for the ATOL scheme. The Civil Aviation Authority (CAA) administers the scheme on his behalf.

I am pleased to be bringing forward this consultation as part of the next stage in the government's regulatory reform agenda. Smarter Regulation is about focusing on how we can improve regulation across the board, ensuring it is as clear as possible and used only where necessary and proportionate.

As the Prime Minister outlined in the Plan for Change, this government has a mission to kickstart economic growth. Domestic tourism plays an important part in the UK economy – domestic day visits contributed a total spend of £46 billion in 2023 – and has a track record of driving growth in local areas.

This consultation is an opportunity to build on those foundations, strengthening local economies across the UK.

The government's intention is to retain key safeguards of consumer protection that underpin the PTRs while making the most of the opportunity to reshape the regime, so it supports growth in the sector and greater consumer choice.

I particularly welcome input on proposals that aim to free up existing businesses to offer innovative new packages and encourage new businesses into the market.

The Department for Transport (DfT) and the CAA are working on a programme of ATOL reform, which is exploring measures that aim to improve financial resilience to increase the likelihood consumers can take the holidays they have booked, while limiting the financial exposure to UK government and taxpayers. We will continue to work closely with DfT and the CAA throughout our consultation and afterwards to ensure a collaborative approach to any future policy development or changes.

Thank you for engaging with this consultation over the coming weeks. Your input will be invaluable in shaping a reformed framework that benefits consumers and industry alike.

**Justin Madders MP**

**Minister for Employment Rights, Competition and Markets**

**Department for Business and Trade**

## **Why we are consulting**

The 2018 Package Travel and Linked Travel Arrangements Regulations (2018 PTRs) establish a series of requirements for organisers of package holidays which aim to provide bespoke protections for travellers.

The government wishes to encourage economic growth and consider ways to make the regulations better suited to the needs of UK travellers and organisers, particularly for those holidaying within the UK. We aim to do this by creating regulations that encourage innovation, collaboration and growth.

We are consulting to gather insights into reforms we are considering making to the regulations. Subject to the outcome of this consultation, the government will then make a final decision on whether and how to change the PTRs.

## **The government's objectives for the PTRs**

The government wants the regulations to:

- give consumers appropriate protections when buying package holidays, which are both a significant expense and an important leisure activity for people in the UK
- support growth in the travel sector and encourage innovation and collaboration by ensuring that regulation is clear and works well for businesses and consumers
- maintain trust in the travel sector, so consumers have confidence in booking package holidays
- enable some flexibility for business in deciding how to secure consumer protections

## **How the PTRs work**

### **Protections for consumers**

The protections provided by the PTRs recognise that package holidays have special characteristics that need more support for consumers over and above other consumer law.

The time between buying the holiday and going on the holiday can make consumers more vulnerable to the impact of supplier insolvency, although firms becoming insolvent is rare.

Consumers can face considerable difficulty in getting a refund from an insolvent company without the additional protection of the PTRs. There is also a risk that holidaymakers will be stranded should their travel organiser collapse while they are away, creating difficulties for them in returning home.

Package holidays are often complex combinations of travel services. Typically, they include travel and accommodation as well as vehicle hire and other services. As various service providers are often involved, a problem with the delivery of one service may affect the delivery of others.

The consumer may find it difficult to deal with subcontractors especially if they are in another country and do not speak the same language. In some cases, travellers may not even have a contract directly with the service providers in that country.

### **Requirements for package travel organisers**

The PTRs impose requirements on organisers of package holidays. Organisers are the traders who combine and sell packages. This is typically the person that the traveller deals with, though that may not always be the case.



The protections include making the organiser liable for the performance of the travel services making up the package and providing protection against the insolvency of package organisers, ensuring funds are set aside for travellers to be refunded or repatriated, or both, where applicable.

The PTRs:

- set out detailed information requirements that organisers must fulfil and provide to the consumer
- make it clear what product the consumer is buying
- detail the associated rights and protections, including enabling transfer of the holiday to others and cancellation rights where significant changes are introduced

## **Definitions**

A 'package holiday' is the combination of 2 or more distinct types of travel services which are combined for the purpose of the same trip. Currently, travel services fall into 4 categories:

- transport
- accommodation
- motor vehicle hire
- other tourist services such as excursions, tickets to events and attractions and so on

The PTRs also provide more limited protection for a looser arrangement of travel services called 'linked travel arrangements' (LTAs). These also combine, in specified circumstances, 2 or more travel services for the same trip or holiday but which are sold under separate contracts and do not meet the requirements of a package.

The government has published [Package Travel and Linked Travel Arrangements Regulations 2018: guidance for business](#), which provides further explanatory information on the PTRs.

## **What the government is proposing**

We want a proportionate system where consumers know when and how they are protected and can make informed purchasing decisions. Similarly, businesses should properly understand their obligations and how to comply with them with minimal regulatory burden.

There are some circumstances where the PTRs may no longer be fit for purpose and relevant and, in these cases, the balance between consumer protections and burdens on businesses may not be right. Unnecessary regulatory burdens may stand in the way of organisers providing diverse and cost-effective options for travellers.

We are seeking views on ways to keep a high level of consumer protection but reduce the burdens on organisers. These include:

- removing some combinations of services from the scope of the PTRs – such as some domestic packages
- improving the flexibility of insolvency protection provisions for non-flight packages

We note there are issues around the complexity of some of the requirements, particularly those associated with LTAs, which have given rise to uncertainty and confusion. We are looking for input on simplifying the regulatory approach to LTAs, by potentially narrowing the scope.

The proposals relate to the 2018 PTRs, which form one part of the legal framework in place to protect consumers.

These proposals do not affect existing consumer rights including those provided by the:

- Consumer Rights Act 2015 and rules on unfair trading (currently in the Consumer Protection from Unfair Trading Regulations 2008 but which are to be replaced by the Digital Markets, Competition and Consumers Act)
- Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 and Consumer Credit Act 1974

The government is also considering changes to wider travel and aviation rules, led by the Department for Transport (DfT). DfT and the Civil Aviation Authority are currently considering changes to the ATOL regime.

The ATOL and PTRs regimes exist in parallel. The government continues to ensure that there is join up in thinking as it moves forward to develop and strengthen both frameworks.

For consumers and for businesses operating in the travel sector, it is important that the overarching regulatory regime works in harmony as much as possible to support clarity and efficiency.

## **How rules should apply to UK-only package holidays**

Currently the PTRs apply regardless of whether the package takes place in the UK or abroad. The government is considering the case for exempting domestic packages that do not have a travel element.

### **Proposal**

It has been suggested by industry representatives that reducing the number of holiday trips that fall under the PTRs would support businesses to offer more choice and more cost-effective domestic packages to consumers. We have heard from several representatives that the cost associated with complying with the PTRs dissuades some businesses – particularly smaller ones – from offering products to consumers that might fall into the scope of the PTRs.

Furthermore, the rationale for additional protection offered by the 2018 PTRs may not apply as directly to domestic holidays. The government would like to seek views on this rationale.

The PTRs provide extra protections for travellers in acknowledgement of the difficulty they may otherwise have in resolving issues that occur while on holiday. The organiser must also provide help if the traveller is in difficulty. This could mean help to find alternative travel arrangements or providing information on health services, local authorities, or available consular assistance. In other instances, it would include repatriation.

We invite views on whether removing domestic packages that do not include a travel element from the regulatory requirements would support businesses to offer more choice to consumers.

We are looking to encourage the provision of arrangements that involve accommodation and other tourist services, such as excursions or admission to nearby events and attractions. This could include for example a UK hotelier offering a package of accommodation with tickets for a show or sporting event but where the traveller makes other arrangements for their travel to and from the hotel at the start and end of the trip.

## **Options under consideration**

The options under consideration are:

- **remove domestic packages from the scope of the regulations, unless they include transport of passengers**

Holidays in UK booked without the travel element would not fall within the scope of the package travel regulations. In this circumstance, general consumer law protections would apply. Consumers may benefit from increased choice arising from reduced regulatory burdens.

- **keep all domestic packages in scope of the regulations**

The existing regime could be retained, whereby domestic packages are in scope of the regulations. This would mean consumers continue to receive the protections offered by the regulations and a consistent position for domestic and international packages may benefit organisers that offer both types of packages.

## Questions

1. Do you think that domestic-only arrangements that do not include travel should be exempt from the regulations?

- a) Yes
- b) No
- c) I do not know

2. If you offer or have considered offering domestic packages, what impact does the current regulatory regime have on your decision to put together domestic packages?

3. Would removing domestic packages that do not include a travel element from the scope of the regulations support businesses to:

a) offer more choice?

- i) Yes
- ii) No
- iii) I do not know

b) offer lower cost options?

- i) Yes
- ii) No
- iii) I do not know

Please explain your response, setting out how and to what extent this reform could lead to benefits or detriment to business.

## **Regulation of linked travel arrangements (LTAs)**

In addition to providing protections for travellers buying packages, the 2018 PTRs provide protection for travellers who purchase a looser arrangement of travel services known as linked travel arrangements (LTAs). LTAs are arrangements that are made up of at least 2 distinct types of travel service bought for the same trip or holiday, but do not meet the definition of a package.

Currently an LTA is created when a trader facilitates either one of the following:

- type A LTAs: the selection and payment of 2 or more services for the same trip, under separate contracts with individual providers, upon a single contact with a point of sale
- type B LTAs: the separate selection and payment of 2 or more travel services for the same trip through targeted linked booking processes within 24 hours without transferring the traveller's payment details

Examples of LTAs and further information on how they are defined can be found in [Package Travel and Linked Travel Arrangements Regulations 2018: guidance for business](#).

This category was introduced to cover package-like arrangements that merit some additional protections. In addition to consumer protection, the introduction of LTAs aimed to ensure fairness among travel providers as they emerged as an alternative businesses model that could compete with package offers but operated outside of the 2018 PTRs.

In recognition that LTAs are a looser set of arrangements than a package, fewer regulatory requirements apply.

The government is interested in views on whether to change the position in the current regulations relating to LTAs. Having heard that few businesses use them, we want to understand:

- why that is
- what benefits there are in the current system
- whether greater benefits could be secured by a reformed LTA model

Examples of regulatory requirements for linked travel arrangements and packages can be found in the [business companion guide](#).

## **Proposal**

It has been suggested that the LTA category is:

- confusing for consumers and organisers
- rarely used
- challenging to enforce

Some feedback has suggested either that LTAs should be removed as a category or that the definition should be simplified.

## **Options under consideration**

The options under consideration are:

- leave LTAs as they are
- retain the LTA category but seek to limit the ways in which an LTA can be created

Examples of the how the second option could be achieved follow.

The industry makes little use of type B LTAs, these types of offers and the distinction may be adding unnecessary complexity. The government could replace the 2 LTA types – A and B – with a single definition that aims to provide clarity about when an LTA will be created.

This could be achieved by removing type B LTAs and amending the definition of type A LTAs. Industry representations suggest type B LTAs are rarely used and lack clarity, particularly in relation to how to track the sale of services from other traders. Narrowing the definition in this way would result in bookings that are currently deemed to be type B LTAs losing protections, but this could be outweighed by improved clarity for consumers and businesses.

Alongside this, the definition of type A LTAs could be amended to require bookings to be made by selecting 2 or more services from a trader's website (or another website of that trader) within a 24-hour period. This currently only applies to type B LTAs. This could better suit online purchasing and addresses confusion reported to us around establishing a single visit to a point of sale.

We could go further to bring clarity to how an LTA is defined, although this would need to be balanced against narrowing the scope of LTAs and thus reducing the number of bookings which enjoy the protections of the regulations.

For example, we could require the trader to have offered the further service as an add-on. This might clarify the circumstances in which a trader has facilitated the further booking. The definition could also require the services to have been booked with the same trader, albeit through separate contracts, as opposed to potentially being created with linked businesses.

## **Examples of arrangements**

### **Package**

Dawn uses a website to book a Paris trip, including accommodation and car hire. She pays one inclusive price for these services.



### **Linked travel arrangement**

Dawn books a hotel in Paris on a website. Later that day she receives an email from the business behind the website offering vehicle hire for the same trip. Within 24 hours, Dawn books the offered car hire for the trip to Paris.

### **Not a package or linked travel arrangement and not in scope of the regulations**

Dawn books a hotel in Paris on one website. She clicks on an advert for car hire on the first website and visits a website run by a second company. Dawn books car hire for the same trip to Paris with the second company.

If we amend what travel services can make up a package, we will also look to mirror those changes in respect of LTAs, if they are kept within the regime.

For example, if we change how other tourist services form part of a package, we will make the same change for how other tourist services can form part of an LTA.

### **Question**

4. What do you think the regulatory position on linked travel arrangements should be?

- kept as it is
- simplified by extending the scope of type A and removing type B
- something else
- I do not know

Please explain your answer, outlining potential impacts on businesses and consumers and any evidence that informed your position.

### **Flexibility over how insolvency protection is provided**

The regulations require organisers to arrange insolvency protection for consumers. There are 3 ways package organisers can use for non-flight packages to achieve this:

- putting up a bond
- insurance
- setting up a trust account

Currently, if the organiser is providing a package that includes the transport of passengers and relies on the trust form of insolvency protection, it must have insurance in place to cover repatriation and, if necessary, accommodation for the traveller before repatriation (regulation 24(2)).

In relation to its liability for refunds, an organiser may combine the trust with insurance (regulation 24(3)). In that case, the organiser is only required to hold on trust enough funds to meet liabilities which are not covered by its insurance policy. Any such insurance will be additional to the insurance that the organiser is required to put in place to cover repatriation costs if applicable.

Part 5 of the 2018 PTRs requires package organisers to get security that covers, in the event of the organiser's insolvency, the foreseeable costs of refunding all payments made by the traveller for services not performed and for the traveller's effective and prompt repatriation. More limited requirements are also prescribed in relation to LTAs.

## **Proposal**

The government is exploring how to make the provision of insolvency protection more flexible for traders. This will ensure some level of choice is built into how businesses choose to provide strong insolvency protection. Stakeholders have indicated differing views on which methods of insolvency protection work best. Most businesses agree that having multiple routes to comply with the regulations is preferable.

## **Options under consideration**

The options under consideration are:

## **Option 1**

Organisers can currently only combine the trust form of insolvency protection with insurance and not with bonding. We are proposing that instead of having to get insurance to meet the requirement regulation 24(2), an organiser could achieve the same result through limited bonding through an approved body. They could mix either trust and insurance or trust and bonding. In broad terms the rules on trust and bonding will continue to apply to each form of protection.

The organiser must still ensure protection of all monies paid by or on behalf of consumers whether through a bond or trust. The organiser will have flexibility to choose the amount of refund liabilities it wishes to protect through a bond. Monies above that amount will have to be held on trust in accordance with regulation 23 (in most cases, until the contract is fully performed).

## **Option 2**

Keep as it is.

## **Questions**

5. Would increasing flexibility in how businesses can get insolvency protection benefit businesses to meet their obligations under the regulations?

- yes
- no
- I do not know

6. Would there be any risk associated with increased flexibility in insolvency protection, particularly for compliance and enforcement?

7. In what other ways could the cost to package travel businesses of securing insolvency protection be reduced without compromising consumer protections?

8. What are the risks and or benefits of keeping the regulations as they are?

## **Territorial restrictions on insurance cover**

Currently, the organiser can take out one or more insurance policies which recognises the travellers as the insured persons and therefore pays direct to the travellers in the event of insolvency. Policies must be held with an insurer who is authorised in the UK, Channel Islands, or the Isle of Man.

Relaxing the territorial restriction on where the insurer is authorised could widen the choice available to organisers which in turn could lower costs and make more packages available to travellers.

### **Proposal**

The government is interested in views on widening the territorial restrictions on insurance cover.

### **Options under consideration**

The options under consideration are:

#### **Option 1**

Widen territorial restrictions to allow for insurers to be based outside of the UK, Channel Islands, or the Isle of Man.

#### **Option 2**

Keep them as they are.

### **Questions**

9. What should we do concerning insurance cover for insolvency protection providers?

- relax territorial restrictions to allow supply by those regulated outside the UK, subject to protections being developed
- retain the requirements as they currently are
- something else
- I do not know

Please explain your answer, outlining:

- potential impacts on businesses and consumers
- the cost and quality of cover
- any evidence that informed your position

10. How do we ensure non-UK based providers still provide good quality reliable services?

11. What impact would doing so have on the cost and quality of cover?

## **How other tourist services form part of the rules**

One of the 4 types of travel service that can be combined to form a package or linked travel arrangement are 'other tourist services'. These are services that are not intrinsically part of the transport of passengers, accommodation or motor vehicle hire. Examples include:

- admission to concerts
- admission to sports events
- excursions
- admission to event parks
- guided tours
- ski passes
- rental of sports equipment such as skiing equipment
- spa treatments

Currently, 'other tourist services' can form part of a package if they are combined with a service from one of the other categories and they make up a 'significant proportion' or are an 'essential feature' of that combination. The qualifications allow for the inclusion of minor services to a combination without the creation of a package.

## **Proposal**

The government is interested in feedback on these provisions and is seeking views on proposals to bring clarity to the construction of ‘other tourist services’.

Stakeholders have indicated that these definitions can cause ambiguity. The relevant EU directive considers a ‘significant proportion’ to be equal or more than 25% of the value of the package. We now could diverge from this approach.

Fluctuations in the price of different travel services mean that what amounts to a significant proportion might change, for example because of seasonal price rises in part of the package. This could mean that a minor service that would not ordinarily be considered a significant part of the combination could nevertheless lead to a package being formed if the relative prices change.

For example, under the current regulations, a package may be formed from the offer of a one-night hotel stay which includes a dinner at a local restaurant. If the ‘significant proportion’ criterion was removed from the regime, this would only constitute a package if the dinner could be established as an essential feature of this stay. This may be the case when it has been advertised as such, for example where the package advertised was principally for a Michelin star restaurant with overnight stay included. If, however, the dinner could not be considered essential and the hotel booking was the main component of the booking, it may not be considered a package and therefore the trip would not be protected by the regulations.

## **Options under consideration**

The options under consideration are:

### **Option 1 – removal of ‘significant proportion’ criterion**

The government is interested in views on the proposal to remove the ‘significant proportion’ criterion and keep the ‘essential feature’ criterion. This would address the ambiguity caused by fluctuations in price and instead rely only on whether ‘other tourist services’ was an essential part of the package. The government is also considering whether clarity needs to be brought to what constitutes an ‘essential feature’ and is interested in views on this.

### **Option 2**

Leave as it is.

## **Questions**

12. What should be done to the ‘significant proportion’ criterion included in the current definition of other tourist services?

- the ‘significant proportion’ criterion be removed
- retain the definition as it is
- something else
- I do not know

Please explain your answer outlining any risks and or benefits, impacts on business and any evidence that informed your decision.

13. Is it clear what forms an ‘essential feature’ of the package, so consumers and businesses understand when a package has been created?

- yes
- no
- I do not know

14. What are the consequences and benefits of options 1 and 2 relating to the ‘significant proportion’ criterion?

## **Redress from third parties**

The regulations place liability for the performance of the travel services included in the package on the organiser, irrespective of whether third parties perform the travel services.

Regulation 29 provides organisers with an express right to seek redress from third parties (for example, the suppliers of component parts of the package) if the organiser is required to pay compensation, make a price reduction, or similar, and the actions or failings of the third party contributed to triggering the compensation payment.

Organisers have indicated that having fulfilled their own obligations to travellers, they can find it difficult to get redress from third parties. Some third parties will refuse to refund the organiser often claiming that they are not required to. The requirement for organisers to provide refunds within 14 days may not align with the time it takes to receive recompense from suppliers.

## **Proposal**

The government is examining the case for clarifying what the right to redress should mean in practice. For example, this could involve setting a time limit for third parties to provide redress to organisers, where the third party has contributed to the relevant event under regulation 29 but has not already provided redress directly to the consumer.

## **Questions**

15. Should the regulations be changed to require suppliers to provide redress to organisers within 14-days?

- yes
- no
- I do not know



16. Should any time limit for payment of redress apply only in narrower circumstances than regulation 29 (for example, only where the third party has cancelled or wholly failed to provide the relevant service)?

- yes
- no
- I do not know

17. What else could improve package travel organisers' ability to get timely and effective redress from suppliers?

18. What are the difficulties of leaving legislation as it currently is?

19. What are the benefits of leaving legislation as it currently is?

---

**Department for Business and Trade**

The department for business and trade is an economic growth department. We ensure fair, competitive markets at home, secure access to new markets abroad and support businesses to invest, export and grow. Our priorities are the industrial strategy, make work pay, trade and the plan for small business.

**Legal disclaimer**

Whereas every effort has been made to ensure that the information in this document is accurate, the Department for Business and Trade does not accept liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned.

**© Crown Copyright 2025**

You may re-use this publication (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3)

Where we have identified any third party copyright information in the material that you wish to use, you will need to obtain permission from the copyright holder(s) concerned.

**Published by**  
**Department for Business and Trade**  
**7 April 2024**