

Airlines UK response to the CAA consultation on price transparency guidance

September 2025

Airlines UK is the association for UK airlines, with members including 2Excel, Ascend Airways, AirTanker, British Airways, DHL, Eastern Airways, easyJet, European Cargo, FedEx, Jet2.com, Loganair, Norse Atlantic, One Air, RVL Aviation, Ryanair, TUI Airways, Titan Airways, UPS, and Virgin Atlantic.

Introduction

We welcome the opportunity to provide feedback to the CMA's draft guidance on the price transparency provisions of the Digital Markets, Competition and Consumers Act (DMCCA) 2024.

While we welcome measures to encourage transparency and better outcomes for consumers, we are concerned about the guidance's requirement for local charges – 'tourist taxes' and resort fees – to be included as part of the headline price of a holiday (i.e. at the initial invitation to purchase). This is particularly in the case of government tourist taxes, as these are not charges that organisers are accountable or liable for, nor do they have any role in their collection. This is often stated explicitly in the local legislation establishing these taxes¹.

We understand that most organisers in the travel industry already clearly and transparently inform customers of charges that are payable on arrival to their hotel or destination. To our knowledge, there is little evidence of consumer concern or significant consumer detriment resulting from the current approach. We are, rather, concerned that the CMA's proposal to incorporate these charges into the headline price may have adverse, unintended consequences for consumers – who may be under the impression that these fees have already been paid before their holiday begins.

In addition to providing no obvious consumer benefit, these charges cannot easily be "reasonably calculable in advance" (the benchmark for the CMA's enforcement of the guidance). As outlined in detail below, this is a result of a combination of factors out of UK organisers' control – such as taxes and fees changing between the point of booking and departure date, fluctuations in foreign exchange rates, different rates for different cities, or children, and ensuring overseas hotels/organisers comply.

If this requirement is applied to the travel industry, we anticipate significant costs being incurred to redesign systems, monitor for announcements on tourist taxes from foreign national and local governments, and manually update systems whenever a tax is changed or a hotel adjusts its resort fees. Though UK airlines take compliance very seriously, we do not believe this would be a justifiable cost when there is no demand for change from customers and no clear benefit, and at a time where the Government has asked regulators to cut red tape for UK businesses – including for the travel industry specifically (see [DBT press release](#) from April 2025).

¹ For example, Greek legislation specifically stipulates that its tax must be collected by local accommodation providers at the point of departure.

Considerations

1. Consumer clarity

Counterintuitively to its purpose, the CMA's guidance could undermine consumer clarity rather than enhance it. Under the status quo, organisers will usually disclose the existence and amount (in local currency) of any destination fees to be paid locally, with customers asked to confirm awareness of these charges before booking.

This method ensures customers know they need to budget for that extra payment on arrival but avoids any false impressions about what is pre-paid. The payment of local charges has not been a source of consumer complaints, with 'tourist taxes' well understood by travellers. However, this will likely change if consumers are asked to pay on arrival for taxes and charges they believed had already been paid.

2. Exchange rates & local tax fluctuations

Unpredictable currency conversions and tax changes make it impractical to include exact local charges in the upfront price. Particularly for further afield and more expensive trips, many consumers prefer to book their holidays months, if not years, in advance. As of August 2025, some organisers have holidays on sale up until the middle of 2028.

It is not only unreasonable, but impossible, for organisers to anticipate changes in government tourist taxes several years before they are collected. Including these charges in the headline price would therefore create a likely risk that consumers are given inaccurate information. This goes against the spirit of the CMA and DMCCA's ambitions on transparency.

Moreover, the majority of tourist taxes and resort fees are denominated in a foreign currency and would need conversion to GBP at the time of booking. However, by the time the customer pays the charge in-destination, exchange rates may have moved significantly. Again, this is completely out of an organiser's control, but it will be organisers that bear the brunt of customer frustration if they communicate a different price at the point of booking.

3. Overseas compliance & UK competitiveness

The CMA's intent is to create a level playing field for businesses, with transparent and full costs for consumers. However, from a competition standpoint, mandating immediate inclusion of local charges in prices could penalise compliant organisers and distort the market in the short term. There is a broad range of type and size of businesses in our sector, and some will find implementation of changes easier than others due to the nature and capability of their systems. Early compliers will be at a disadvantage if they suddenly appear more expensive than competitors who wait to comply until enforcement looms (or organisers who interpret the guidance differently).

In addition, as the CMA has no jurisdiction overseas, consumers may choose to book with an overseas organiser (or a hotel directly), instead of UK-based organisers who may mistakenly appear more expensive due to tourist/resort charges being included in the headline prices. This risks making UK businesses internationally uncompetitive and driving booking revenue overseas.

4. Technical and operational challenges

Implementing the CMA's proposal poses significant practical hurdles and costs for organisers, who would need to overhaul pricing systems to incorporate diverse local fees for thousands of hotels and destinations.

As many organisers' consumer-facing search tools are only able to calculate costs that they collect, this proposal would create significant technical challenges in developing new functionality to fetch or store tax/fee data at product level. This represents a fundamental change from how consumer facing pricing tools are designed today.

There will also be an ongoing resourcing cost involved to ensure the prices presented remain accurate. Unlike inputting data on flight prices, there is no central database of tourist taxes by destination. Further difficulties with standardising data arise due to the differing structure of tourist taxes – with many countries differing rates by city (such as higher rates for capital cities), or by the type of accommodation (e.g. single hotel rooms vs. hotel suites, or hotel vs. villa accommodation). This makes implementing a uniformed back-end solution extremely complicated, if not impossible.

For resort fees, getting accurate, up-to-date fee information will require cooperation between a single organiser and its thousands of overseas hotel suppliers. These suppliers are not obliged to comply with CMA guidance or the DMCCA, but UK organisers will be dependent on them sending accurate, timely updates on their charges to stay compliant. Though most organisers have positive relationships with their suppliers, it is not reasonable to expect overseas hotels to prioritise each organiser's regulatory obligations, nor is there any incentive for them to do so.

5. Incompatibility with UK Package Travel Regulations (PTRs)

The industry's current practice of handling local fees separately is not only a business preference – it is grounded in existing legal frameworks that recognise the nature of package holidays. The Package Travel and Linked Travel Arrangements Regulations 2018 explicitly address price transparency for packages, but in an appropriately nuanced way. According to Schedule 1 of the PTRs, before a booking, we must provide “the total price of the package inclusive of taxes and, where applicable, of all additional fees, charges and other costs”.

Crucially, “if those costs cannot reasonably be calculated in advance of the conclusion of the contract,” organisers must give “an indication of the type of additional costs that the traveller may still have to bear.” The vast majority of organisers already provide a clear indication of the cost and its nature since it cannot be precisely calculated in advance.

Additionally, a fundamental aspect of a “package” booking is that it is sold for an overall inclusive price. Our concern is that artificially combining a third-party charge (collected by a hotel or authority) effectively splits the package price into components, which could confuse consumers about what their money is going towards and allows them to reverse engineer the price of their hotel and flights.

We therefore urge that the CMA's guidance respects the exception already established by the PTRs, for charges that cannot reasonably be included upfront, as well as the inclusive nature of package holidays.

Conclusion

As outlined above, we strongly believe that the application of the CMA's guidance to tourist and resort charges falls short of being "reasonably calculable in advance." Most importantly, rather than benefitting consumers, it may create new confusion over what is and is not pre-paid. The industry would be happy to work with the CMA on alternative solutions to boost transparency over tourist taxes and resort fees – e.g. creating a standardised, prominent disclosure of local charges at the time of booking that all organisers adhere to.

However, if the CMA decides to proceed with the enforcement of this guidance as currently drafted, the industry will require a considerable implementation period before enforcement, in order to redesign systems, train staff and account for the additional resource required going forward.

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