

Travel Counsellors submission to the Consultation on Unfair Commercial Practices Guidance

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Introduction

Travel Counsellors is a UK-based travel company founded in 1994, specialising in personalised travel services for both leisure customers and corporate clients. Operating on a franchise model, we empower more than 2,000 independent travel advisors, known as Travel Counsellors, to run their own businesses, supported by Travel Counsellor's global infrastructure. We are headquartered in Manchester, with operations in the Netherlands, South Africa, Ireland, Belgium and the UAE. Travel Counsellors is known for its strong focus on customer service, tailor-made travel experiences, and hit over a £1bn in sales in 2024. We predominantly sell premium leisure holidays, consisting, in the main, of package holidays.

Our response to the consultation focuses primarily on the guidance in respect of the display of resort fees and other local charges and whilst we strongly support the overarching objective of ensuring that travel businesses are fully transparent to their customers in respect of the costs involved in the purchase of a holiday or other travel related services, we wish to express concerns regarding the feasibility and appropriateness of providing this information within the headline or "total price".

Key Concerns:

1. Lack of pricing control and technological restrictions

- Many of the resort fees or local charges (e.g., tourist taxes, eco fees, city taxes, or locally mandated resort charges) are determined by local authorities or the accommodation providers themselves, and are often subject to change with limited notice.
- Travel companies do not have operational control over these charges and cannot guarantee their accuracy or applicability at the point of booking.
- Travel Counsellors work with over 600 suppliers worldwide, plus multiple technology partners. Where local charges are payable, that information is not provided to us in a consistent manner. A lot of our suppliers provide travel service availability and pricing through an API but often, local charges are presented by way of an errata in a long text format. Presently, the customer is made aware of such fees via an errata printed on their booking documentation. It is not currently feasible, without significant financial investment and resource to extract, from the errata text, all applicable local fees to apply to an individual booking in order to pull into a total price.
- Further, local charges can be calculated in different ways, for example on a per night, per room, or per person basis and may vary depending on factors like room type or age of the traveller. Whilst it is noted that the CMA guidance allows exemptions where it is not possible to reasonably calculate the charges in advance, the fact that this presentation of fees differs by country and supplier, would require an initial time consuming analysis on a case by case basis as to whether the fees could indeed be reasonably calculated.
- Standardising how these charges are presented across all destinations and suppliers is not practically viable

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- Many of our technology partners—especially aggregators and bedbank providers lack the integration necessary to dynamically source and present accurate local charges across thousands of hotels and destinations.
- Our preliminary analysis suggests that implementing systems changes to attempt dynamic extraction of local fees and charges across all destinations and properties would require multi-year development and would incur significant cost and complexity for the industry, with limited benefits to customers if the information remains variable or approximate.

2. Accountancy & Regulatory Issues

- Adjusting customer documentation to reflect a total price that includes monies that are not payable to us, but instead collected in-resort could cause anomalies in reconciliation processes. It will cause internal confusion and extra time and resource in checking the exact breakdown of a holiday cost, understanding what is payable to us as the travel company, despite the fact that customer documentation will display a wholly inclusive price.
- It is unclear as to how travel companies will meet regulatory requirements in terms of financial protection under both the Package Travel and Linked Travel Arrangements and the ATOL Regulations if customer documentation displays a price that is not wholly payable to the travel company. For example, where an ATOL certificate is generated based on the total price of a booking to evidence what is financially protected. In-house systems will have to be adapted to exclude locally paid charges from the total price to ensure that the correct amount is being financially protected under the applicable regulations and that the customer is clear about what sums within the total price are offered financial protection and which, are not. It is an assumption that travel companies will not be required to financially protect locally paid charges given we are not going to be receiving them.
- Displaying local charges as part of a total price may misrepresent the legal obligations of the travel company, potentially giving the impression that these charges form part of the contract between the customer and the travel company, when in fact they do not.
- Including local charges in the total price will negatively impact travel companies in the event that the charges significantly increase, given the obligations that travel organisers have under the Package Travel and Linked Travel Arrangements Regulations 2018. Presently, if the cost of a package booking increases beyond 8% (which can only be done if the increase is related to cost of fuel or other power sources, level of taxes or fees on the travel services included imposed by third parties (including tourist taxes) or exchange rates relevant to the package) the customer has a right to cancel their booking. The inclusion of such fees in the total price will have wider scope and implications where such increases occur and to the detriment of travel companies who have no such control over these charges.
- In addition, given such price increase can only be made at the latest 20 days prior to the start of the package, any increases made within 20 days will have to be absorbed by the travel company, again, with negative impact and with no real avenue for mitigation without the travel company rendering itself uncompetitive by increasing advertised prices from the outset to protect itself.

3. Potential for Customer Confusion

- While the intent of full price transparency is to reduce confusion, presenting estimated or conditional local charges upfront may actually lead to greater uncertainty.
- Final amounts are often only confirmed on arrival by the local supplier, meaning customers may believe they have fully prepaid their holiday when in fact further sums are due locally. This creates a false sense of security and risks damaging consumer confidence in UK travel businesses.

- Customers may also assume that these charges are controlled by the travel company, leading to misdirected dissatisfaction or disputes.
- Because such charges are usually presented in local currency, conversion into GBP at the point of booking introduces further variability due to exchange rate fluctuations. Given that many customers book far in advance, this could cause confusion over what the final payable sum will be by the time they travel.
- Separating the price payable to travel company from charges payable locally, with clear disclosure that local charges may fluctuate, avoids confusion and ensures consumers understand exactly what they are paying to whom.

Recommended Approach:

- Charges collected directly by the travel company be included in the total price at the point of sale (for example, booking fees).
- Local charges that are outside the control of the travel company and subject to fluctuation, be itemised separately with clear information that such charges may fluctuate.
- If travel companies are made aware by local suppliers of significant increases in local charges between the time of booking and departure, the customer shall be notified as soon as possible.
- Prominent and consistent disclosure of locally paid charges, before purchase confirmation, whether that is verbally explained by a sale agent to a customer or within quote documentation or advertisements.
- Clear labelling to explain who levies the local charge/s, when and where it is paid, and that it is not collected by the travel company and does not form part of the total price.

In our view, the above approach offers better transparency for consumers by clearly distinguishing between charges under the travel company's control and those imposed locally. It ensures consumers are fully informed of costs without compromising the accuracy of pricing or placing unreasonable and costly burdens on travel companies, thereby preserving both transparency and market competitiveness.