14th August, 2020 A close up of a sign

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**For the attention of The Chancellor of the Exchequer,**

**The Rt Hon. Rishi Sunak, Esq., MP**

Dear Sir

**Help urgently needed for the UK’s outbound travel industry**

We write this open letter on behalf of **all 120 specialist travel companies and 100 specialist travel agencies within AITO**, The Specialist Travel Association ([www.aito.com](http://www.aito.com)), representing an important sector of the UK’s beleaguered travel industry.

*Firstly, if this letter is too long/detailed to read, may we make a simple request to have a 30-minute meeting with you instead, to explain to you how the outbound travel industry works? A face-to-face meeting would help greatly; we report to five Government departments, none of which confers with the others. Thank you.*

The latest hit to AITO’s 220 tour operator and travel agent members (and to our host destinations, many of which depend hugely on visitors from the UK for their livelihoods) came on Thursday this week, with the removal of the travel corridor linking France and the UK, on top of the ban on travel to Spain, Portugal, Monaco, The Netherlands and Malta, plus other key destinations for the UK holidaymaker.

We have **the following key requests for you as Chancellor of the Exchequer to avoid hundreds of thousands of outbound travel industry employees being at risk of losing their jobs, their livelihoods and potentially their homes too - a prospect too awful to contemplate, and which will add enormously - and unnecessarily - to the Government’s social support bill for a long time post-pandemic.** Our industry has received very little relevant support to date, unfortunately – probably because Government simply does not understand our industry or deign to consult with us.

Furloughing has helped many businesses in the UK **but, unlike some companies that could simply close for the duration of the pandemic, many specialist tour operators have actually needed to keep *more* people working during the pandemic.**

Our staff have had to respond to many thousands of requests, by email and by ‘phone, to:

* **Unpick complex tailor-made travel arrangements** – this takes considerably longer than the original creation of the holiday; in usual working conditions, cancellations are relatively rare; at present, cancellations and deferment to next year are the norm
* **Attempt to obtain refunds from airlines and accommodation providers** – many of which have refused to refund, leaving the tour operator stuck in the middle of a very difficult situation; ***we need the Government to compel airlines to refund both tour operators and travel agents promptly***
* **Handle credit card companies’ attempts at random charge-backs,** when such charge-backs should not be made when Refund Credit Notes (financially protected by the ATOL scheme) have been issued
* **Liaise with insurance companies which have reneged on insurance cover** paid for by their clients; ***we have had no support from the Financial Conduct Authority, despite writing to the FCA in detail, but insurers need to be forced to accept responsibility and to pay claims; we believe the FCA guidance is in urgent need of review***
* **Cope with the changing quarantine arrangements and their impact on bookings** – whether bookings already in place need to be amended or cancelled, or bookings are no longer coming in due to consumer uncertainty about potential quarantine changes to come

**As a minimum, we need the Exchequer to extend the furlough scheme for a further six months (specifically for the outbound travel sector).**

**There is a significant mismatch between FCO Travel Advice (which has no legal backing; it is simply guidance) banning tour-operator-organised travel to a wide range of destinations, while the DfT allows airlines to continue to fly. This needs to be resolved urgently via Exchequer liaison with the DfT; it makes no sense to have different rules for interrelated sectors of the travel industry.**

Now, with September CAA ATOL and ABTA bond renewal deadlines approaching, and having worked with pretty much zero cash flow since March 2020 (six very long months, on top of refunding huge sums in respect of bookings made long in advance for the summer season), **another serious challenge awaits the travel sector. How, with no cash inflow (but significant cash outflow), are we going to be able to gain the financial protection required by law to enable us to continue in business and to continue to provide protected package holidays for the enjoyment of our clients?**

The CAA has, via the compulsory introduction of the £2.50 Air Travel Trust Fund contribution, made it even more difficult for travel companies to obtain the necessary bonds, as the insurance bond market has dried up as a direct result of the CAA acting as a quasi insurer. Bond companies are few on the ground and becoming fewer every week in the wake of travel industry collapses that have already occurred during the pandemic. **We need the Exchequer to step in promptly and to provide an incentive for bond obligors to return to the market and to offer financial protection bonds to enable the industry to continue to operate.**

While the loans that the Exchequer has launched have helped many businesses to stay afloat, we have to ask how, without cash inflow, travel companies can be expected to refund such loans if they take them out?

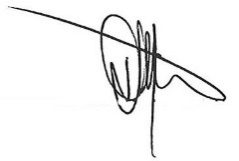
This is a ghastly perfect storm of a total lack of understanding of the travel industry by the Government (our sector reports to five Government departments – the DfT, the FCO, BEIS, DCMS and the CAA) and a complete lack of Government consultation with the experts within our industry.

**Please, listen to our urgent plea for help and take action to prevent the destruction of what is part of the largest industry worldwide**, the formerly vibrant UK outbound travel industry. We have not only delivered £37 billion per annum directly into the Exchequer’s coffers, but have also helped UK PLC’s inbound tourism industry considerably by creating travel links with Europe and beyond, which will cease to exist if the current situation continues.

Equally, and just as importantly, we have delivered much joy and international understanding between our holidaymakers and those at the host destinations which they have regularly visited.

We hope to receive a positive reply from you very soon.

Yours faithfully

**Chris Rowles**, Chairman, AITO, The Specialist Travel Association

**Gemma Antrobus**, Chairman, AITO Specialist Travel Agents

**Derek Moore**, Deputy Chairman, AITO, the Specialist Travel Association

**Ted Wake**, Deputy Chairman, AITO Specialist Travel Agents

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