



**PRESS RELEASE**  
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### **Travel Counsellors highlights importance of financial trust following surge of travel supplier collapses**

Travel Counsellors is concerned that a growing number of consumers wrongly believing their travel arrangements are protected when they are not and has highlighted the growing importance of its own trust fund, which covers everything a customer books with the company free of charge. This follows the collapse of Edinburgh-based operator and airline Globespan last week, which left all flights cancelled and thousands of travellers stranded abroad, and the news that Allbury Travel Group, who trade as Libra, Argo and Jetlife, ceased trading at the weekend.

Travel Counsellors' founder and chairman David Speakman comments; "Whilst Globespan holiday and Allbury Travel passengers should be covered by the tour operation's ATOL license, meaning they should be able to get a refund for cancelled holidays, those who booked through the airline Flyglobespan will not be covered and thousands of these people are abroad and facing the horrific task of trying to source alternative travel arrangements to get home, with the fear that many will be stranded over the Christmas period.

"Recent events such as the Civil Aviation Authority's (CAA) failed court case against Travel Republic, has led to many travel providers questioning whether they in fact need an ATOL to protect their customers when booking component parts for a tailor-made package, without explaining the consequences of this to their customers. This in turn is leading to even more confusion amongst customers about whether or not they are protected. I am concerned that the customers informed choices will be too complex. The ATOL scheme should be expanded to cover ALL travel not that just containing a flight element. The industry needs is a drastic review of the customer protection system in order to restore customers' faith in the UK travel industry."

He adds; "It is crucial that as a customer focused travel company we can offer the reassurance that unlike ABTA agents and other travel agents we can financially protect all component parts or anything that the customer buys from us. We have the comfort that all our customers are covered for all travel sold by Travel Counsellors. It's a reassuring guarantee in what has become a minefield within the travel industry."

The protection offered by Travel Counsellors through its own Trust Fund since 2004 is completely free of charge and covers anything the customer chooses to book including hotels, low cost airlines, scheduled flights and car rental. It covers all bookings including those that are tailor-made also known as 'dynamically packaged'.

The company has always argued that customers should receive all-encompassing travel protection for any arrangements they want to make, not just ATOL protection on what defined as a 'package' holiday. ABTA also no longer guarantees financial protection for the customer. Following the collapse of XL Leisure group the CAA had to replenish the Air Travel Trust Fund by increasing the ATOL Protection Contribution from £1 to £2.50 per person in October, but Travel Counsellors disagrees in principle with customers having to pay their own money to protect their travel purchase and also points out that regardless of the increase many holiday bookings will still have no protection at all.

Speakman adds: "More and more customers are interested in the Travel Counsellors Trust and the financial protection we offer. Unfortunately in the current economic climate there is a likelihood we may see more travel failures, so it is reassuring for our Counsellors to be able to tell their customers that their money is guaranteed. This surge of travel failures is yet another



wake up call for the industry to take action and create a level playing field for customers when it comes to financial protection.”

## **ENDS**

**About Travel Counsellors:** Travel Counsellors is the world's largest home-based travel company with turnover at the end of its last financial year (Oct 31 2009) of £255 million. Founded in 1994 it currently has over 1,100 travel consultants who work from home with the support of over 170 staff at the company's UK headquarters in Bolton and overseas offices. The company operates in the UK, Ireland, the Netherlands, South Africa, Australia, Canada and the US. In the UK, the Travel Counsellors Trust financially protects everything booked by the customer free of charge. Travel Counsellors was the winner of the prestigious Queen's Award for Enterprise in 2003-2008, the technology category of the 2005 CBI Growing Business Awards and was voted Travel Agent of the Year by readers of the Guardian, Observer and Guardian Unlimited in 2006, 2007 & 2009.

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