

# **COVID-19: The European Commission recommends an attractive voucher offered to passengers and travelers as an alternative to reimbursement**

The EU Commission has published a tourism and transport package composed of three guidelines and a recommendation to help EU reopening the travel and transport industry. Hereby the EU Commission maintains that the traveler has the right to have the ticket reimbursed when the trip is cancelled due to COVID-19. On the other hand, the European Commission recommends a voucher as an attractive alternative to reimbursement.

## **Right of reimbursement for air passengers and travelers**

According to EU Regulation 261/2004 on the rights of air passengers, the air carrier must offer passengers the choice of reimbursing the price of the air ticket or re-booking the trip if the airline cancels.

According to EU Directive 2015/2302, which is implemented in the Danish Act on Package Travel, the traveler has the right to reimbursement of the entire price of the package travel if the package travel is canceled due to unavoidable and extraordinary circumstances, such as the COVID-19 pandemic.

## **New guidelines and recommendations for resuming tourism and transport in the EU**

On 13 May 2020, the European Commission published its guidelines and recommendations on how to resume tourism and transport after the COVID-19 pandemic. Hereby, the European Commission has determined that there will be no temporary suspension of air passengers or travelers right to reimbursement. However, the European Commission is recommending a more attractive voucher offered to air passengers and travelers as an alternative to reimbursement.

## **The recommendation on an attractive voucher**

The European Commission has issued a recommendation for a more attractive voucher, which air carriers and travel providers can offer as an alternative to reimbursing the ticket to air passengers or travelers who had their trip canceled due to COVID-19.

According to the recommendation, the European Commission has the following proposals:

- The voucher should have a minimum validity period of 12 months. The air carrier or travel provider should automatically reimburse the amount after the end of its validity period if the voucher has not been redeemed.
- If the voucher is valid for more than 12 months, the air passenger or traveler should have the right to ask for reimbursement 12 months after the issuance of the voucher concerned.
- The air passenger or traveler should be able to exchange the voucher for all new booking before the expiry date of the voucher, including for trips with departure after this date.
- The air passenger or traveler should be able to use vouchers for payments for all departures or package travels offered by the air carrier or travel provider.
- The air carrier and the travel provider should be able to offer the same route or package travel under the same service conditions as detailed in the original booking.
- The air carrier or travel provider should consider whether the voucher can be used by other air carriers or travel providers within the same group of companies.
- The air passenger or traveler should be able to use the voucher for new bookings through the same travel agency which booked the original booking.
- Vouchers for transport services should be transferable to another passenger without any additional cost. Vouchers for package travel should also be transferable to another traveler without any additional cost, if the providers of the services included in the package agree to the transfer without any additional cost.
- In order to make vouchers more attractive, air carriers and travel providers could consider issuing vouchers with a higher value than the amount of any payments made for the package travel or transport service originally booked, for example through an additional lump sum or additional service elements.
- Vouchers should indicate their validity period and specify all the rights attached to them. They should

- be issued on a durable medium, such as email or paper.
- The voucher must be secured against the bankruptcy of the airline or travel provider.

## Danish support for temporary voucher scheme

On May 12, 2020, the Danish Government, together with a broad majority in the Folketing, signed an agreement on several initiatives to help the travel industry through the corona crisis.

One of the proposals was precisely a temporary, compulsory voucher scheme as an alternative to reimbursement. However, the EU Commission has stated that such a voucher scheme is only an alternative to reimbursement and shall not be compulsory. Thus, the air passengers' and the travelers' right to reimbursement will not be suspended.

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