

BRIEFING PAPER FOR CHARITIES ON THE ATOL REGULATIONS (2012)

1. BASIS OF ATOL REGULATIONS

ATOL regulations were originally established over 40 years ago and were designed to ensure that holidaymakers were protected in the event of a tour operator's financial failure. The protection offered them:

- If the company collapses whilst on holiday, the scheme will make sure they can finish their holiday and return home
- If the company collapses before they leave the UK, the scheme will provide a full refund for the holiday

As booking channels for holidays evolved it became clear for the need to reform the regulations. This reform became effective from April 2012 and were amended again on 1 July 2018 and made it clear that organisers (including sellers of mission trips) were caught up in the new regulations. It introduced three distinct areas for protection:

- a) **Flight only**
- b) **Single contract package** – where at least two travel elements including a flight (accommodation including a cruise and/or car hire are the other elements under ATOL) are sold at a wholly inclusive price and where the customer has the benefit of one contract with the organiser for all the travel services that are part of the package.
- c) **Multi-contract package** - are where you have more than one contract for all the travel services that together are part of the package arranged by the organisation. You still have the same ATOL protection if the organisation you booked with fails. If one of the suppliers you have used fails, the organisation must make alternative arrangements for the customer.
- d) **Linked Travel Arrangements (LTAs)** - LTA's are formed when a business "facilitates" the sale of two or more travel services (e.g. a flight and hotel booking) but does so in a way that it is not classed as a package. As an LTA does not constitute a package it does not, need to be protected under ATOL but does need to be protected under the PTRs. An LTA may include an ATOL protected element within it, such as an ATOL protected Flight-Only or an ATOL protected flight inclusive package. If an organisation sells an LTA, it must inform the customer that this is the case and what protection they have.

It must be noted that ATOL is separate to and different from the **Package Travel Regulations (PTR)** and where applicable both regulations need to be adhered to. The following chart is a guide to when each set of regulations apply. There is a separate paper available on the PTR regulations which should be read in conjunction with this paper.

Type of booking	Package Travel Regulations apply	ATOL Regulations apply
Single item NOT a flight	No	No
Flight only	No	Yes
Package with flight	Yes	Yes
Package without flight	Yes	No

There are a number of methods of complying with the ATOL Regulations along with specific exemptions.

An example where an ATOL licence is not required is when it is a private arrangement and the flights are not being made available publicly. So, for example, when a church group does not make their programme publicly available but draws in people from the church membership only by invitation, this may be considered a private arrangement by the CAA as it is not being made publically available. However, this needs checking carefully. For more detail on this, please refer to section 4.1 of ATOL Briefing on the CAA website.

How the regulations apply for a specific organisation will depend on a number of factors. For that reason it is recommended you discuss your current mission trips with someone knowledgeable in the travel, insurance and/or legal sectors.

2. HOW DO I ASSESS WHETHER I NEED ATOL COVER?

The CAA has issued clarification on who needs to comply with ATOL and in which circumstances. If you answer 'yes' to any of the questions overleaf, you will need to ensure that you have adequate ATOL cover:

- Are you a charity or fundraiser who offers flights or flight-inclusive trips as part of your events or fundraising activities?
- Does anyone raise money for your charity with some of the money raised used to cover the cost of a trip, including flights, for that person?
- Does anyone book and pay for a flight-inclusive holiday, where one of the conditions of the holiday is that the person must raise a minimum amount of money for your charity?
- Do volunteers take part in flight-inclusive trips to assist with your charity projects?
- Are flight-inclusive trips offered by your charity to any non-employees free of charge?
- Is anyone able to win a flight-inclusive trip in a fundraising exercise for your charity, for example a raffle?

3. HOW DO I COMPLY WITH THE ATOL REGULATIONS?

If you have answered 'yes' to any of the questions above, there are three options for providing ATOL protection, these are:



If you do need to apply for an ATOL licence, then there are a variety of licences. Details of the various types of licences, including costs and application forms, are available from the CAA website.

Two important things to note:

1. When you are acting as an 'agent' of an ATOL holder there are specific requirements on your advertising, promotion and how the costs for the project are broken down and accounted for. Guidance on this is contained within the guidance document for charities referred to above.
2. When organising short-term trips it is imperative that you are also aware of and comply with the terms of the Package Travel Regulations if they apply in your situation. See separate paper for further information.

This paper is not intended to present a full and final position on this matter and Global Connections cannot be held responsible for the information given. We are not qualified to give travel, legal or insurance advice. It is solely intended to help members take this issue seriously and to ensure that they are aware of the compliance issues. It is strongly recommended that advice should be sought from qualified experts who can give appropriate advice.