



THE TRAVEL INDUSTRY AND THE THE CONSUMER PROTECTION ACT

The Consumer Protection Act, 2002-20 prohibits:

- behaviour that misleads or deceives or is likely to mislead or deceive. (section 12)
- false or misleading representations with respect to price. (section. 13(g))

It also contains

- a specific requirement for a full price of items to be stated in certain circumstances. (section 17)

Price is a very important consideration for consumers when choosing one travel product over another. Failure to mention to consumers the existence of some of the costs/charges means that the consumer only receives part of the price information. Misleading consumers about the total price to be paid is a breach of the Consumer Protection Act, 2002-20.

Questions frequently asked by the Travel Service Provider?

What costs do I have to include in an advertised price?

The Fair Trading Commission considers that advertising a regional or international airfare or other travel related products without disclosing the total price payable by the consumer, risks misleading consumers as to the total price they must pay.

The total price that the consumer has to pay to obtain the travel product advertised, including all ticketed taxes, levies and fees (e.g. commission's) should be stated. If the travel agent must pay some taxes or fees on behalf of the consumer to a third party, as a condition of purchase, they must be brought to the attention of the consumer and they must be included in the price, given to the consumer.

Particularly for "all-inclusive packages" if there are mandatory taxes, fees or charges that need to be paid to other parties as a condition of a travel package, consumers should be made aware that these charges exist. Depending on the nature of the representation, these charges need to be included, for example, if the price is represented as 'fly away, no more to pay'.

Are there any exceptions? What about non ticketed charges such as Departure Tax?

Where the consumer has the option of paying additional charges directly to a third party and these charges are not a necessary pre-condition to supply the product, such charges do not have to be included in the price (e.g. departure tax or meals at a hotel where the product is for accommodation.)

The consumer must still be made aware of the existence of the charges

Can I advertise in foreign currency- for example \$US?

Yes & No. The price should clearly state the currency in both Barbadian & U.S dollars. Whilst you may advertise in US dollars, the local price should also be stated to avoid misleading the consumer.

I have advertising materials and brochures made up which are very expensive to produce. What should I do if prices change after these are printed?

If the total price of a product promoted in your sales documentation is subject to change, a prominent statement to this effect should be included. A prominent statement about price changes should cross-refer to the detailed terms and conditions which must be in legible print. A statement could be included that makes it clear that the prices shown in the brochures are subject to change and that the consumer should speak with a consultant to get a current price.

What if the exact itinerary or route is not known until specified by the customer?

Where a price is shown on an advertisement, it should reflect the specific offer that is being made. For example, if the consumer were to accept the example offered with no changes to the route, he/she would be required to pay no more than the price advertised. Consumers should be clearly informed that changes to the route advertised by the travel service provider may attract a price different, from that advertised.

Can I advertise a 'second person flies free' offer if the second person still has to pay their taxes and charges.

The word 'free' is very powerful and represents to a consumer that they will not incur any cost. If the second person has to pay taxes and charges to fly, then they are unable to fly 'free'. An advertisement with this type of offer should not use the word 'free', and make it clear, that whilst there is no additional charge for the airfares, the relevant fees and charges apply. The consumer should not be led to believe there is no cost involved in accepting the offer, when the reality is that there is. Similarly, the cost of the second airfare should not be shifted into the first by making it more expensive and thus creating the illusion that there is no cost arising from the second airfare.

What are the benefits of compliance and how do I manage the risk?

Businesses that comply voluntarily with the Act gain the trust of their customers and get repeat business. However, consumers who have had negative experiences with a particular business may relate their experience to others. Business that suffer a competitive disadvantage as a result of illegal conduct, or consumers that have suffered loss are quick to complain to the Fair Trading Commission or take their own legal action.

Travel service providers should speak to their industry association, their lawyer or compliance professional to identify any risks in their activities and develop systems to manage their compliance.