

EXPLANATORY NOTE REGARDING REVISED TRAVEL REGULATIONS

Dear Member,

In 2018 a new EU Travel Directive was implemented (and is now part of Spanish Law). As it was just before Covid, it did not attract much attention.

In broad terms, the Directive's purpose is to have full E.U. wide 'ABTA like' travel insurance / indemnity cover in order to protect travellers and their monies. This is obviously a very good thing for the travelling public - while putting additional constraints and responsibilities on the Travel Agent, including being part of a Mandatory Compensation Scheme.

The Directive now clearly defines the difference between 'Travel Agents', 'Travel Organisers' and 'Social' Organisations (like the U3A/Clubs etc.), who organise occasional travel trips for their members, but not professionally.

But what it means to be defined as a 'Social' Organisation (and thereby exempt from the Directive), is clearly set out, and important to understand.

We all understand how most Social Clubs organise their travel

- A day trip (bus, train, venue) to a place of interest.
- A Christmas 'do' that might include a bus and venue / food etc.
- Perhaps even a summer holiday for members of that Group (usually organised by / with the local Travel Agent).

Consequently, Travel Regulations exempt:

- Trips of less than 24 hours (provided they do not include overnight accommodation)
- Overnight trips, plus travel etc.), by Social Clubs, so long as not more than 10 per annum are organised

Otherwise, one is, *de facto*, considered to be a Travel Agent and required to be Registered as such with the relevant authorities.

Obviously, there are NO limits on trips organised via a Travel Agent (as then the Travel Agent is regulated under the Directive).

PRECAUTIONARY MEASURES NOW BEING IMPLEMENTED:

We have undertaken an exhaustive review of the Directive and its implications over the summer (including consultations with Travel Professionals and Authorities in Javea, in the UK and in Europe), of the Directive and its implications for us. We have learned much, including: -

- That having Travel Insurance from a Regulated Insurance Agent here in Javea does NOT include cover if the travel organisation goes into liquidation - ONLY travel booked through properly Registered EU Travel Agents have that cover available to them.
- That other 'Social' Organisations who abused their position in organising travel for their members without regard to the new regulations, found that, when the Tour Company they were using failed, and they wished to sue for lost payments, the Courts deemed

them to have been de-facto operating as a Travel Agent, and had to shoulder the loss themselves.

1. Limit Financial Exposure of U3A:

Trips organised via a Travel Agent are effectively guaranteed by the Compensation Scheme. Trips arranged directly by the U3A are not. In the past, if a Tour Company (hotel etc.) became insolvent, the U3A members on the trip would lose any money that they had paid (unless able to claim on their personal insurance). This is no longer allowed by law. Therefore, the U3A as an organisation (and its members), and/or the Travel Leader advertising the trip, might be liable to compensate the travelling members. Obviously, we could not, will not, allow any of our members or Travel Organisers to be subject to such a risk.

The Executive Committee has now agreed that we must limit the U3A's exposure to not more than €5,000 on any single Travel Operator (that being half of ALL Membership Fees collected in a year - bearing in mind that many of our members do not participate in either of our Travel Groups activities). We have set this as our maximum exposure to any one supplier.

Consequently, all trips that have an element (an hotel/bus etc) that cost over €5,000, must be booked via a Travel Agent (with insurance cover). The issue of 'bundled' trips (with various elements such as buses / hotels / boats, etc.) where the TOTAL cost of the trip is over €5,000 is addressed below.

2. Foreign Travel:

Due to the difficulty of understanding the fine print of the Terms & Conditions of a Travel Providers Compensation Scheme in another country/language/legal jurisdiction, we are now agreed that trips outside Spain must be booked via an approved Travel Agent in order that the liability is theirs, not ours.

3. Travel Emergency Monies:

A small levy of €1 for Day-trips and €2 for trips including Overnights, per head, per trip, will be introduced, and set aside to deal with any possible issues arising with a Travel Provider.

4. Revised Terms & Conditions for Travellers:

We have revised our Travel Terms and Conditions.

5. Guidance for Group Leaders:

We have drawn up new Guidelines for Group Leaders.

6. Open a new Bank Account for Travel Funds only:

This will limit our risk as having travel funds (not the U3A's money) in our U3A Members Bank Account sometimes results in our balance going over €100,000 - the limit for compensation if the bank should fail.

7. Create Four Categories of Travel Trips:

Category A - Day Trips - NO CHANGE on present arrangements. NO LIMIT on the number of trips.

Category B – Short Holidays - Trips where the TOTAL COST of all elements of the trip exceeds €5,000, but no single element (hotel/bus etc.) exceeds €5,000 on its own, may continue to be booked directly with the provider (hotel etc.). Note that the total number of trips under category B is restricted to 10 per annum.

Category C – Longer Holidays - Trips where ANY single element exceeds €5,000 - Must be booked via a Travel Agent. There is NO LIMIT on the number of trips booked via a Travel Agent.

Category D – Foreign Holidays - Any trip that includes travel outside Spain must be booked in consultation with the Groups Coordinator (for Committee approval), and be booked via a Regulated Travel Agent.

Conclusion

All this is now being actively discussed in open debate with Group Leaders / Travel Leaders and all members who wish to be part of the discussion.

If it is considered necessary or desirable, all of this can be raised at the next AGM. The matter will be kept under constant review and amendments made as necessary.

Regards,

Claude Grealy
President

October 2024