

Do your customers need financial protection?



Starting a travel business is exciting, but the regulatory requirements can be daunting. Before selling any trips, you must ensure you have the proper financial protection. Not complying with the rules could land you in hot water.

What are the requirements?

This depends on the type of trip. If you are organising a package*, you must provide your customer with financial protection, which will refund or repatriate them in the event of your insolvency. How you comply with this requirement depends on whether you include a flight in the package. Here's a breakdown of what needs to be protected.

Must be covered under an Air Travel Organiser's Licence (ATOL).

Apply for an ATOL directly through the CAA, or via an accredited body or ATOL franchise.

You may need a bond to get an ATOL - this is a guarantee provided by a bank or insurance company, which pays out if you cease trading.



Flight-inclusive packages

If you sell a package that doesn't include a flight, you can protect your customers through:

- Financial Failure Insurance (FFI)
- Bonding held as part of a membership of an Approved Body.
- Holding funds in an independent trust account.



Non-flight packages

There is no legal requirement to protect sales of single components e.g. Accommodation Only. But, many travel businesses choose to, so customers have peace of mind their holidays are financially protected.



Single components

We arrange both bonds and insurance so if you need advice on how to protect your customers, please get in touch with our friendly team.

As well as financially protecting your trips, you may need insurance to protect your business. Find out more here.

*The full definition of a package is set out in The Package Travel and Linked Travel Arrangements Regulations 2018.