



## **Holiday Blues for Lowcstholidays Travellers**

At the time of writing there are currently 137,000 very unhappy holidaymakers whose cherished once a year summer holiday has been ruined by the collapse of holiday firm Lowcstholidays, which ceased trading on July 15<sup>th</sup> when the administrators were called in.

It was said that in the days before the firm went bust, its representatives were still taking bookings and money from customers for holidays they would never be able to enjoy. The company appointed as administrators said that the group had “experienced significant market headwinds in the run up to the EU referendum as holidaymakers delayed decisions, this was compounded by the Leave vote itself and the subsequent fall in value of the pound.”

This is likely to be of no comfort to all of the families who have been left high, dry and severely out of pocket. To add to their woes, Lowcstholidays relocated the business to the Balearic Islands in Spain in 2013 and as a result it was no longer required to hold an Air Travel Organiser’s License (ATOL). Under the UK’s Civil Aviation Authority’s ATOL protection scheme, if you book flights with accommodation and if the travel company that organised your holiday goes bust you would be able to continue your holiday if you are already abroad or receive a full refund. Unfortunately this is not the case with Lowcstholidays since their move to Spain.

### **What can you do if you are currently on holiday with Lowcstholidays?**

Your flight tickets should remain valid on the basis that these are usually paid for in advance so you should be able to travel back on your designated flight. However, for the accommodation, transfers, car hire and local excursions which have been pre booked and already paid for , you may be asked to pay for these again as the relevant suppliers may not have been paid by Lowcstholidays prior to the company going bust.

If you are asked to pay for any part of your holiday make sure you keep your receipts as you may be able to claim some reimbursement from the Directorate General for Tourism of the Balearic Islands who are holding a €1,200,000 bond. These sums will only be paid out on holidays, including flights and accommodation, booked through the Spanish brand Lowcstholidays Spain S.L.

If you have booked through this company then contact your travel agency immediately.

**“I’ve a holiday booked with Lowcstholidays”.**

The first thing you must do is contact your airline, hotel, transfer and car parking companies to ascertain the current position. If they confirm that everything has been paid make sure you obtain written confirmation.

If you have already received your flight confirmation details then you probably are booked on the flight. In most cases the hotel accommodation, transfers and any other services you have booked will need to be re booked and paid for again.

### **“Can I cancel my flights?”**

You will need to approach the airline to see whether they will offer you a refund, although most tickets, especially on package holiday flights, are non refundable.

### **Payment Method**

Generally, if your holiday was more than £100 and you paid with a credit card, under the Consumer Credit Act the credit card firm and the retailer are jointly liable and if something goes wrong you may be able to reclaim a refund.

For debit cards, the card issuers operate a charge back scheme which allows the charge holder to get the money back from the retailer's bank. However, this is not a legal requirement so there is no guarantee that the card issuer will do this

### **Travel Insurance**

It's always worth checking your travel insurance to see whether you are covered. Most travel insurance policies exclude the failure of a travel firm, but it is still worth checking.

Julian Ireland, a Commercial Litigation Solicitor at leading and award winning regional law firm Pictons says: “This is an absolutely terrible situation which will be devastating for all those affected by Lowcostholidays' collapse. Most of these holidays will have been planned well in advanced with deposits or final payments already having been made.

“These poor holidaymakers are not left with any alternative but to try and rebook if they can afford to or lose their holiday booking completely. If you are booking a holiday it is advisable that if you are booking flights and accommodation you ensure that your travel company is a member of ATOL or you use a credit card to purchase the holiday, although the latter is not always guaranteed protection in cases like Lowcostholidays.”