Steering brief

Scene setter

You will have a phone call with [Name] of Booking.com. [Name] will be joined by [Name] and [Name] (both CVs in your file).

Booking.com was founded and is headquartered in Amsterdam, but was later acquired by a US holding company. The website has over 28 million listings.

Booking.com suggested the following items for discussion, hoping to make the call a conversation, rather than a formal presentation:

1. Introduction / Corona crisis
2. How Booking.com works
3. Market dynamics
4. Competition policy and digital regulation

On its Partner Hub, Booking.com announced on 15 March 2020 that future guests wanting to cancel reservations due to COVID-19 will be provided with an immediate refund. At the same time, it claims that the cooperation with hotels is of a crucial importance for them.

The hotel industry is amongst the hardest hit by the COVID-19 outbreak\(^1\). As result of the travel bans and confinement measures, practically all booked trips and travel packages are being cancelled.

Business of all sizes are struggling with liquidity problems. This is particularly true for travel agents and tour operators, who are under the obligation of the Package Travel Directive to refund or compensate travellers for cancelled trips, services and bookings within 14 days.

A solution that could provide relief to the industry while protecting the rights of consumers is the possibility to propose vouchers (‘credit notes’), which are guaranteed in case of insolvency of the provider. Member States have or are considering the possibility to issue vouchers in return to the trips/tickets cancelled (in addition to or instead of imminent reimbursement in money).

As explained by the guidance issued by the Commission on the application of Package Travel Directive in “exceptional circumstances”\(^2\) such as Covid-19, the travellers’ right to be reimbursed needs to be respected. However, it could be envisaged that tour operators offer travellers, who want to travel later, vouchers that benefit from the same protection against insolvency as the package travel. Travellers must have the choice, however, to accept the voucher and have the possibility to ask for a full refund if, eventually, they do not make use of it\(^3\).

\(^1\) In a press release published by EU Travel Tech association on 23 March 2020, dedicated to the Commission and the Member States, its members including Booking.com call for an “efficient and immediate support for the whole travel ecosystem”.


\(^3\) Given the uncertainty of travel in the rest of the 1\(^{st}\) and the 2\(^{nd}\) half of 2020, it is quite likely that consumers will opt for an immediate refund, rather than accepting a voucher, also due to fears of the operators going out of business. While Member States are encouraged to ensure that vouchers
are backed-up by a guarantee scheme in case of the insolvency of operators, it is crucial that consumers are made aware of the existence of such guarantee.