

COVID-19 AND AIRFARE REFUNDS. A VIEW FROM DOWNUNDER

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A perennial question during Covid-19 is whether you can get a refund if your flight is cancelled. In this brief article the author examines the situation in Australia.

If you are looking a refund for an airfare, watch out for the cancellation fee

Nobody reads a travel agent's terms and conditions ... until they cancel a flight and ask for a refund.

Travellers quickly discover that lurking in the fine print are cancellation fees. Not one but two sets of cancellation fees - the first, the airline's cancellation fees, the second the travel agent's cancellation fees. What fees do they charge?

The Airlines: Qantas and Emirates charge a \$375 per fare *if the passenger cancels*. If the airline cancels a flight and cannot offer suitable alternative arrangements, then it does not charge a cancellation fee *if the cancellation is within its control*.

The Travel Agents: Flight Centre and Helloworld have exactly the same cancellation fee policy: Cancellations to International bookings (excluding Trans-Tasman bookings) will incur a fee of \$300 per passenger per booking in addition to supplier fees (and credit card fees). The fee is charged *regardless* of whether it is the passenger or the supplier (i.e. the airline) who cancels.

The coronavirus (COVID-19) epidemic has introduced a new factor. That is, travel bans and border closures have resulted in flight cancellations *outside of the control of both the passenger and the airline*.

As a result of Government and consumer pressure, most airlines have dropped (waived) their cancellation fee. In the US, the Department of Transport has ordered airlines not to

charge a cancellation fee for flights cancelled because of travel bans and border closures. In Australia, Qantas, Emirates and other airlines have done the same.

But what about the travel agents? Flight Centre insisted upon charging its cancellation fee of \$300 until 2 May 2020, when overwhelming pressure from the public and the Australian Consumer watchdog, the ACCC, resulted in Flight Centre waiving its cancellation fee for flights cancelled because of travel bans and border closures. Flight Centre will now provide full refunds of airfares.

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