

Civil Aviation Authority launches ATOL consultation

The CAA has launched a [consultation](#) on ATOL, which will consider evolving the regulatory framework to improve financial resilience.



At present, some ATOL protected travel businesses use their customers' advance payments for their holidays to fund their own operations, before the customers have had their holidays. This is a long-standing practice in the industry, but in some cases it may fail to incentivise sufficiently robust financing arrangements. The proposed changes will look at new approaches that would reduce the risk posed to consumers should any individual travel business cease to trade.

The Covid-19 pandemic has also further highlighted how challenging it was for some businesses to pay customers the refunds to which they were entitled.

The consultation will close on 30 July 2021 and the CAA will then consider recommendations ahead of launching a second consultation making specific proposals in early 2022.

[Source: CAA, 29 April, 2021]

For further information on your travel rights click [here](#).