

Air Travel Organisers Licence (ATOL) policy regulations – Guidance for charities and fundraisers

Department for Transport – Civil Aviation Authority

RPC rating: validated

Description of the measure

The measure provides clarifying guidance for Air Travel Organiser's Licence (ATOL) holders that any flights or flight inclusive trips that involve charities and fundraisers as part of their events or funding raising activities are covered by ATOL regulations.

By law, every UK travel company which sells air holidays and flights are required to hold an ATOL. If a travel company with an ATOL ceases trading, the ATOL scheme protects customers who had booked holidays with the firm. It ensures customers do not get stranded abroad or lose money. The scheme is designed to reassure consumers that their money is safe, and will provide assistance in the event of a travel company failure.

An ATOL Certificate is proof the holiday booked is protected by the ATOL scheme. It explains the protections and what to do if the travel company collapses.

Following a refocusing of enforcement and compliance activity, the CAA decided to re-issue guidance in order to clarify the requirements for charities and fund raisers.

Impacts of the measure

The measure allows the CAA to better inform ATOL holders of requirements involving charities and fund raisers. The assessment states that the only cost to compliant ATOL holders relates to re-familiarisation with the guidance. There are currently 2,099 businesses that hold ATOL licences operating in the market. These include a number of charities, either directly as a holder, acting as an agent of a holder or as members of an accredited body franchise. The CAA explains that the guidance consists of 1,300 words of printed text and would take up to 6.5 minutes to read per ATOL holder. While it is assumed that all ATOL holders read the guidance, there is no mandatory requirement for them to do so.

The CAA has assumed a labour cost of £31.70 per hour, including non-wage labour costs. Each ATOL holder represents a business and the CAA has assumed one person per business will read the guidance on the basis that each business contains one accountable person in with responsibility for understanding licence requirements

and acting as the first point of contact with the CAA. This provides a total one off familiarisation cost of £7,208. In the absence of seeking confirmation of these assumptions from business, the CAA has provided confirmation from its ATOL licensing offices.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.0 million. This will be a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

The validation assessment sets out the expected time for ATOL holders to re-familiarise with the guidance. In justifying the assumption that one person per business would be responsible for reading the updated guidance, the CAA has assumed that the accountable person per organisation – the person who acts as the first contact with the CAA - would be the appropriate person to read the updated guidance. Given the scale of the measure, this level of support is reasonable. The CAA has also provided additional clarification that the charities quoted within the assessment are included in the 2,099 designated businesses that hold ATOL licences.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	£0.0 million
Business net present value	£0.0 million

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated ¹	£0.0million
Business Impact Target (BIT) Score ¹	£0.0 million

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.

Opinion: EANDCB validation
Origin: Domestic
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Michael Gibbons CBE, Chairman