

The Luxury Safari Specialist

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COVID-19

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We would like to begin by thanking everyone for their patience, perseverance and good manner over the last few days. In these unprecedented times, we appreciate that all of you are being inundated with enquiries from your clients about their holidays.

OUR SITUATION

Somak Holidays has a well capitalised balance sheet and as such we will survive this difficult period. We cannot however be complacent about this and as such we have taken the difficult decision asking all of my colleagues (myself included) to take a reduction in our wages during this crisis; my priority is to retain everyone's job. We hope to return to the status quo as soon as possible. As a result of the increased volume of calls, it may take us longer than usual to answer calls, however rest assured that we will be contacting all agents for all affected bookings which were previously scheduled to depart within the next 7 days - prioritising by departure date.

REBOOKING AND REFUNDS

Agents will be aware that many airlines and hotels are not currently offering refunds. We appreciate that The Package Travel and Linked Travel Arrangements Regulations 2018 has certain provisions that require the principal to provide a full refund within 14 days. It is clear that the legislation did not foresee a global shutdown of the travel industry on the scale that we have seen in last few days. This situation is unprecedented and whilst we would like to be able to offer refunds within 14 days in accordance with the legislation, this is simply not possible if our suppliers do not cooperate. We have paid the airlines, hotels and other suppliers and therefore like all other Tour Operators, we would eventually run out of cash if we refunded payments to agents without getting money back from the suppliers.

Accordingly, we are currently awaiting government direction at this time. We are confident that the trade bodies will successfully lobby the government to forego the provisions relating to refunds under Part 3 of the Act and require all customers to accept revised dates for their holiday. We will be actively liaising with our regulatory bodies and will keep agents updated with progress. Until further guidance on this issue is received, we will not be processing any refunds where refunds have not been received from our suppliers.

Where suppliers are agreeing to provide refunds, we will pass these on to customers. You should however inform customers that we will only provide refunds once we have received them from the supplier. The reason for this is because many airlines and hotels that initially promised refunds have now changed their policies and will now only offer re-bookings. In the best case scenarios we would not expect suppliers

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to issue refunds for at least 3-4 months. In the worst cases, refunds may take over a year to process. As such we would recommend that agents actively advise customers against refunds. Rebooking is not only in both our and your best interests but also the best interests of the customer.

ADVICE FOR AGENTS

Travel Insurance: We have sought legal advice and reviewed the policy terms of a number of travel insurance policies. The advice we have received is that most travel insurance policies cannot deny claims simply because The Package Travel and Linked Travel Arrangements Regulations 2018 require the principal to offer refunds. Fundamentally, the travel insurance provider must pay their customer if their customer had insurance prior to the COVID-19 outbreak regardless of any other means of recourse that the customer may have. You should therefore encourage customers to seek refunds from their travel insurance provider if they are not willing to rebook their holiday and require their money immediately.

Credits or Vouchers: We understand that many principals are offering credits or vouchers to be used against future bookings. We would recommend that you do not encourage your clients to accept these. Credits and vouchers are not protected by ATOL and in the event the principal stops trading, their voucher will have no value. By rebooking their holiday, the client is protected for the value of their holiday from the moment their holiday is re-booked.

Refunds: Some principals that are offering refunds may not be able to pay back these refunds immediately. We are informed that there may be a grey area in law here. From the time the holiday is cancelled until the time the refund is received, the money paid for the original holiday does not benefit from the financial protection provided by ATOL. Whilst Somak Holidays has a strong balance sheet, there will be a minority of companies that do not. These companies may become insolvent and if that happens before your client gets their refund, they will lose their money. Accordingly, agents should advise their customers to re-schedule bookings rather than accept refunds as this is safer and will ensure their money is protected by the ATOL scheme.

Thank you once again for your patience and understanding. Times are tough, but by working together and working smart, we will all come out of this stronger and more successful.

Kind regards
Ash Sofat