

Online holiday booking

Is the initial price the final price ?

Report of the European Consumer Centres Network (ECC-Net) 2016

Co-funded by the European Union

Help and advice for consumers in Europe

ECC-Net

European Consumer Centre Luxemburg

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I. Introduction

A. The European Consumer Centres Network

The European Consumer Centres Network (ECC-Net) is an EU-wide network that provides consumers with information on their rights when shopping across borders and supports consumers with seeking redress when a dispute has arisen as a consequence of a cross border transaction. The ECC-Net consists of 30 European Consumer Centres, one in each of the 28 Member States as well as one in Iceland and Norway. ECC-Net is co-financed by grants from the European Commission and their respective countries.

The services which ECC-Net provides to consumers concentrate on business-to-consumer matters when citizens shop across borders, either in person or in the form of distance purchases (mainly e-commerce).

ECC-Net advises consumers on their rights in cross-border shopping. It also provides information on both EU and national rules and on opportunities offered by the European Single Market.

It gives free advice and support to any individual with a problem related to a cross-border purchase. The ECC contacted by the consumer works together with the ECC of the country where the product or service was purchased. In most cases ECC-Net helps consumers reach an amicable solution with the trader. ECCs provide advice on out-of-court settlement (alternative dispute resolution – ADR) procedures for consumers who have been unable to reach an agreement directly with the trader. Due to the unique nature of ECCs' work, its exposure to various consumer concerns and its role in pursuing transposition and compliance of EU legislation, ECC-Net is increasingly providing input to policy-making at national and EU level.

In 2015 the Centres have handled over 93,964 enquiries from consumers. 38,048 of which were complaints.[01]

Online shopping is the most convenient way for consumers to reap the full benefits of the Internal Market by comparing prices, products and services

[01] Simple complaints (require the assistance of one centre) + normal complaints (require the involvement of two centres).

at one place. However, consumers are still facing difficulties when shopping online. In 2015, 65% of all consumer complaints handled by the network were concerning products or services purchased online. Consumers are still prevented to utilise the ultimate benefits of a fair internal market, by numerous unclear and hidden clauses from traders which on numerous occasions do qualify as breaches of EU law.

B. Background and scope of the Joint Project

Due to the constant growth and development of the European Single Market it has been observed that more and more consumers are using online services to book their holidays. As a matter of fact, booking holidays online could be done in only one click. In 2015 the European Consumers Centres Network (ECC-Net) has been contacted 23,102[02] times by consumers on the topic of holidays, out of which 10,286 complaints[03] were related to online holiday booking.

Even though online holidays booking can be quick and easy, a certain proportion of consumers are deceived, often frustrated, by the "strategies" on the price indication by online platforms/travel agencies, airlines, hotels or car rental companies. This Joint Project raises the question whether the initial price of flights, hotels, cars, timeshare or other holiday services does correspond to the final price paid by a consumer at the end of the booking process. If the answer is negative, this report aims at identifying which are the reasons behind the price change and how they have to be classified from a legal point of view. In the context of this Joint Project the notion of "initial price" shall be understood as the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services. On the contrary, "final price" corresponds to the price which is invoiced to the consumer at the end of the reservation process.

This Joint Project will identify the main concerns encountered by consumers booking their holidays online, which will be preceded by an analysis of the legal background on price indication of online booked holiday services.

[02] 9,054 information requests + 14,048 complaints including the categories accommodation services (except timeshare), package holidays, transport services (incl. car rental, passenger and luggage transfer by air/road/rail/water) (according to ECC-Net' case-handling IT-Tool).

[03] This includes complaints only. Information requests do not hold information on selling method as they are related to a certain question not to an actual purchase.

Furthermore, the consultation of the ECC-Net and consumers will allow to identify which services are generally included in the initial price of a holiday booked online and for which services consumers have to pay additional fees (for example costs for insurances, luggage, payment methods, etc.).

Finally, the review of the results will conclude whether there is or not a difference, if the reservation is made via an online intermediary platform/travel agency or directly via the trader's official website.

C. Target audience

The target audience of the Joint Project is consumers of any age, gender and nationality, who have encountered difficulties while booking and purchasing online holidays with the EU.

The second targeted group will be traders, chambers of commerce and handicrafts as well as Media. As such this Report will allow these stakeholders to be informed about legal obligations as well as the main concerns encountered in 2015 and 2016 by consumers on the topic of the Joint Project. Finally, the report intends to contribute to the decision making process of the European Commission in regards to policies concerning online holiday booking.

D. Solution and added value by the Joint Project

The project will emphasise on the main concerns encountered by consumers when identifying prices of holidays to be purchased online.

Firstly, this report provides an assessment of existing legislation on the topic of online purchase of holiday services and products.

Secondly, the report provides an analysis of real life examples, trying to highlight the problems consumers are facing during the actual booking process. The report has also taken into account a very crucial element, which is the consumers' perception of the booking process.

This project will also establish whether an awareness campaign will contribute to more conscious online consumer behaviour ("be conscious campaign" for consumers) and raise their trust in the European Digital Single Market.

The report will bring to the attention of traders that adopting clear and comprehensive price policies will increase consumers' trust and satisfaction with the online holiday sector. The awareness on the topic of the Joint Project necessary for other stakeholders, such as Media and of course the European Commission, will be reviewed as well.

II. Analysis of European law and case law in relation to the obligation of displaying final price of service/ product to consumers

A. The Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast)

According to Regulation (EC) no 1008/2008 of the European Parliament and of the Council, of 24 September 2008, on common rules for the operation of air services in the Community, customers should have access to all air fares[04] and air rates irrespective of their place of residence within the Community or their nationality and irrespective of the place of establishment of the travel agents within the Community.



[04] 'Air fares' means the prices expressed in euro or in local currency to be paid to air carriers or their agents or other ticket sellers for the carriage of passengers on air services and any conditions under which those prices apply, including remuneration and conditions offered to agency and other auxiliary services.

Further customers should be able to compare effectively the prices for air services of different airlines. Therefore always the final price to be paid by the consumer for air services originating in the Community should be indicated, including all taxes, charges and fees. Community air carriers are also encouraged to indicate the final price for their air services from third countries to the Community.

Article 23 of the Regulation says that *"The final price to be paid shall at all times be indicated and shall include the applicable air fare or air rate as well as all applicable taxes, and charges, surcharges and fees which are unavoidable and foreseeable at the time of publication. In addition to the indication of the final price, at least the following shall be specified:*

a. air fare or air rate;
b. taxes;
c. airport charges;
d. and other charges, surcharges or fees, such as those related to security or fuel;

where the items listed under (b), (c) and (d) have been added to the air fare or air rate.

Optional price supplements shall be communicated in a clear, transparent and unambiguous way at the start of any booking process and their acceptance by the customer shall be on an 'opt-in' basis."

Regulation (EC) no 1008/2008 is, on the basis of existing case law, relevant for the aim of this study. A brief case law analysis will follow below.

B. The European Court of Justice case law

- Case C-487/12, of 23 January 2014, Vueling Airlines SA v Instituto Galego de Consumo de la Xunta de Galicia[05]

This case analyses if the Spanish law[06], requiring the free carriage of one registered luggage by passenger without paying a supplement or surcharge, infringes EU law (Regulation (EC) no 1008/2008 of the European Parliament and of the Council, of 24 September 2008, on common rules for the operation of air services in the Community).

[05] EU:C:2014:27
[06] Article 97 of Law 48/1960 of 21 July 1960 on air navigation (Ley 48/1960 sobre Navegación Aérea)

The Court holds that the price to be paid by the air passenger does not include the transport of checked-in luggage, because it is not unavoidable and foreseeable item for the price of the air service. In the meaning of EU law such a service is considered to be purchased as optional price supplement in respect of a complementary service. Thus, the carriage of the registered luggage can't be considered to be compulsory or necessary for the carriage of passengers.

On the contrary the Court considers that hand luggage (not checked in), must be considered, in principle, as a necessary item for the carriage of passengers. Once that hand luggage respects the requirements in terms of weight and dimensions and complies with the security requirements, it can't be considered as subject to a price supplement. This difference is established in the applicable law of airline's liability for damages and the compensation is greater when the luggage is checked-in than when it is carried on board.

The Court also underlines that EU law does not preclude Member States to regulate aspects of carriage by air, namely to protect consumers against unfair practices, but the national legislation can't be contrary to the pricing provisions of EU law.

The conclusion in this case was that:

"The principle of pricing freedom laid down in Article 22(1) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community, must be interpreted as precluding national legislation such as that at issue in the main proceedings, which prohibits air carriers from charging for checking in passengers' baggage in the form of an optional price supplement.

Nevertheless, it is for the competent national authorities to ensure that, in applying a surcharge for such a service, air carriers comply with the consumer protection requirements laid down in Article 23(1) of Regulation no 1008/2008 by communicating in a clear, transparent and unambiguous way, at the start of any booking process undertaken by the customer, the detailed rules for pricing relating to checking in of baggage and allowing the customer to accept or refuse the service in question on an opt-in basis".

- Case C -112/11, of 19 July 2012, ebookers.com Deutschland GmbH v Bundesverband der Verbraucherzentralen und Verbraucherverbände – Verbraucherzentrale Bundesverband eV[07]

This case concerns the interpretation of Article 23(1) of Regulation (EC) No 1008/2008 and reference has been made in proceedings, between ebookers.com Deutschland GmbH ('ebookers.com'), which sells air travel services through its intermediary platform, and, the Bundesverband der Verbraucherzentralen und Verbraucherverbände — Verbraucherzentrale Bundesverband eV (Federal Union of Consumer Organizations and Associations; the 'BVV'), concerning the lawfulness of the manner in which that travel is sold.

The company 'ebookers.com' organises air travel through an online portal which it operates on its own. When a consumer selects a specific flight during the booking process on the portal, the costs relating to the reservation are listed in the top right-hand corner of the internet page of 'ebookers.com', under the heading 'your current travel costs'. In addition to the actual price of the flight, that list also contains amounts in respect of 'taxes and fees' and 'travel cancellation insurance', calculated automatically. The total cost represents the total price of the travel.

A notice at the bottom of the internet page informs how the consumer has to proceed if he/she wants to reject the cancellation insurance that has been automatically included in the final price. When the booking is finalised 'ebookers.com' pays the flight cost to the air carrier, the taxes and fees to the appropriate authorities and the insurance to the insurance company (which is legally and economically a third entity, separated from the airline company).

A German consumer protection association has taken proceedings against 'ebookers.com' before the German courts requiring that the company refrains from including automatically the cancellation insurance with the air fare. The Oberlandesgericht Köln (Higher Regional Court, Cologne) has asked the Court of Justice, if the service offered by a third party (the insurance company) and charged to the consumer by the company that offers the flight, together with the air fare, as part of the total price, constitutes "optional price supplements" and as such it must not be offered on an opt-out basis but as on an "opt in" basis.

(07)

Case C-112/11, ebookers.com Deutschland GmbH v Bundesverband der Verbraucherzentralen und Verbraucherverbände – Verbraucherzentrale Bundesverband eV, ECLI:EU:C:2012:487.

First of all, the Court points that EU law seeks to ensure access to information and transparency for all prices of air services which constitutes part of consumer protection. As those services are not compulsory or necessary for the purposes of the flight and the consumer can choose whether to purchase or not, EU law requires that such supplementary services should be communicated in a clear, unambiguous and transparent way at the beginning of each booking process and their acceptance should be on an opt-in basis.

The intention of this requirement is to prevent consumers from being induced into purchasing additional and not mandatory or necessary services unless he/she chooses expressly to do so.

The Court ruled that the concept of "optional price supplements" referred to in the last sentence of Article 23(1) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community, must be interpreted as covering costs, directly connected with the air travel and arising from services, such as the flight cancellation insurance when issued in the main process of booking. These services can be supplied by a party other than the air carrier and charged to the consumer by the party selling the travel service, together with the air fare, as part of the total price.

Therefore, the price of flight cancellation insurance provided by an independent insurance company forms part of the overall price and thus the indicated price should be the total from the beginning of the booking process, even if additional supplements chosen by the consumer (in an opt-in basis) are offered by the airline or by a third part.

- Case C - 573/13 of 15 January 2015, Air Berlin plc & Co. Luftverkehrs KG v Bundesverband der Verbraucherzentralen und Verbraucherverbände — Verbraucherzentrale Bundesverband eV[08]

This case refers to a request for a preliminary ruling concerning the interpretation of the second sentence of Article 23(1) of Regulation (EC) No 1008/2008 and has been made in proceedings between Air Berlin plc & Co. Luftverkehrs KG ('Air Berlin'), an air carrier, and the Bundesverband der Verbraucherzentralen und Verbraucherverbände — Verbraucherzentrale Bundesverband eV (Federal Union of Consumer Organisations and Associations; 'the Bundesverband') concerning the way in which air fares are presented in the computerised booking system of Air Berlin.

[08] Case C-573/13, Air Berlin plc & Co. Luftverkehrs KG V. Bundesverband der Verbraucherzentralen und Verbraucherverbände - Verbraucherzentrale Bundesverband e. V. ECLI:EU:C:2015:11.

Until the end of 2008 Air Berlin's booking system was organised in such a way that when a consumer selected a journey and a date, they will find as a second step a table listing the flight connections for the chosen dates showing departures and arrival time and two fares for each flight. A box below that table showed the taxes and charges applicable to the air service selected and the fuel surcharge, while the 'price per person' including all these elements was set within a border. A double asterisk next to the box explained, with reference to the conditions applicable that a service charge not yet included in the final price might apply. After entering the necessary personal details as third step, the consumer could in the fourth step, establish the final price of travel including the service charge.

As a result of the entry into force of the Regulation No 1008/2008 in November 2008, Air Berlin modified the second step of its booking system so that the air fare for the selected air service was displayed in the table together with the departure and arrival times and, separately, taxes and charges, the fuel surcharge and the total amount of those separately indicated elements. A box below the table showed the price calculated on the basis of these figures, the service fee and, below that, the final price per person for the selected flight.

The German Federal Union of Consumer Association complained that this breakdown of prices did not meet the requirements laid down by the second sentence of Article 23(1) of the Regulation No 1008/2008 and brought an action in which sought an order requiring Air Berlin to cancel this practice and reimburse the costs incurred in connection with the above price calculation, with a warning notice relating to that action.

The Bundesgerichtshof (Federal Court of Justice) decided to refer the following questions to the Court of Justice for a preliminary ruling:

(1) Is the second sentence of Article 23(1) of Regulation No 1008/2008 to be interpreted as meaning that the final price to be paid must, in the context of a computerized booking system, be indicated when the prices of air services are shown for the first time?

(2) Is the second sentence of Article 23(1) of Regulation No 1008/2008 to be interpreted as meaning that the final price to be paid must, in the context of a computerised booking system, be indicated only for the air service specifically selected by the consumer or for each air service shown?'

The conclusions of the Court of Justice were:

1. The second sentence of Article 23(1) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community must be interpreted as meaning that, in the context of a computerised booking system such as that at issue in the main proceedings, the final price to be paid must be indicated whenever the prices of air services are shown, including when they are shown for the first time.
2. The second sentence of Article 23(1) of Regulation No 1008/2008 must be interpreted as meaning that, in the context of a computerized booking system such as that at issue in the main proceedings, the final price to be paid must be indicated not only for the air service specifically selected by the customer, but also for each air service in respect of which the fare is shown.

This decision is important because it decided that the final price in a context of a computerised booking system should be indicated whenever the prices of air services are shown, including when they are shown for the first time, not only for the air service specifically selected by the consumer, but also for each air service in respect of which the fare is shown as the final price and the moment when it appears is the main focus of the Joint Project.



C. The Consumer Rights Directive (Directive 2011/83/EU)

Directive 2011/83/EU of the European Parliament and of the Council, of 25 October 2011, on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council, applicable to the main focus of the project, determines that, if a distance contract is concluded by electronic means, the trader shall ensure that the consumer, when placing his/her order, explicitly acknowledges that the order implies an obligation to pay.

If placing an order entails activating a button or a similar function, the button or the similar function shall be labelled in an easily legible manner only with the words 'order with obligation to pay' or a corresponding unambiguous formulation indicating that placing the order entails an obligation to pay the trader. If the trader has not complied with this subparagraph, the consumer shall not be bound by the contract or order

(Article 8.2 says: *"A distance contract to be concluded by electronic means places the consumer under an obligation to pay, the trader shall make the consumer aware in a clear and prominent manner, and directly before the consumer places his order, of the information provided for in points (a), (e), (o) and (p) of Article 6(1). The trader shall ensure that the consumer, when placing his order, explicitly acknowledges that the order implies an obligation to pay. If placing an order entails activating a button or a similar function, the button or similar function shall be labelled in an easily legible manner only with the words 'order with obligation to pay' or a corresponding unambiguous formulation indicating that placing the order entails an obligation to pay the trader. If the trader has not complied with this subparagraph, the consumer shall not be bound by the contract or order"*).

Moreover, trading websites shall indicate clearly and legibly since the beginning of the ordering process whether any delivery restrictions apply and which means of payment are accepted.

Regarding the use of means of payment traders are prohibited from charging consumers, in respect to the use of a given means of payment, fees that exceed the cost borne by the trader for the use of such means

(Article 19 says: *"Member States shall prohibit traders from charging consumers, in respect of the use of a given means of payment, fees that exceed the cost borne by the trader for the use of such means"*).

In the matter of additional payments, and before the consumer is bound by the contract or offer, he/she must express his/her consent to any extra charges in addition to the initially indicated payment. If the trader has not obtained the consumer's express consent but has inferred it by using default options, which the consumer is required to reject in order to avoid the additional payment, the consumer shall be entitled to reimbursement of this payment

(Article 22 says: *"Before the consumer is bound by the contract or offer, the trader shall seek the express consent of the consumer to any extra payment in addition to the remuneration agreed upon for the trader's main contractual obligation. If the trader has not obtained the consumer's express consent but has inferred it by using default options which the consumer is required to reject in order to avoid the additional payment, the consumer shall be entitled to reimbursement of this payment"*).

D. The Unfair Commercial Practices Directive (Directive 2005/29/EC)

According to Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market (Unfair Commercial Practices Directive), a commercial practice shall be regarded as misleading if it contains false information and is therefore untruthful or in any way, including overall presentation, deceives or is likely to deceive the average consumer, even if the information is factually correct, in relation to one or more elements, and in either case causes or is likely to cause him/her to take a transactional decision that he/she would not have taken otherwise, namely if related to the price or the manner in which the price is calculated, or the existence of a specific price advantage (Article 6 - Misleading actions).

Under the Unfair commercial practices Directive shall be regarded as misleading if, in its factual context, taking account of all its features and circumstances and the limitations of the communication medium, it omits material information that the average consumer needs, according to the context, to take an informed transactional decision and thereby causes or is likely to cause the average consumer to take a transactional decision that he would not have taken otherwise. In the case of an invitation to purchase, the following information shall be regarded as material, if not already apparent from the context, like the price inclusive of taxes, or where the nature of the product means that the price cannot reasonably be calculated in advance, the manner in which the price is calculated, as well as, where appropriate, all additional freight, delivery or postal charges or, where these charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable (Article 7 – Misleading omissions).

The Unfair Commercial Practices Directive and more precisely the "invitation to purchase", has been reviewed by the European Court of Justice in the Ving Sverige case, C-122/10,[09] about the clarity concerning the meaning of ''invitation to purchase'' and of the use of ''entry-level prices'':[10]

[09] ECLI:EU:C:2011:299.
[10] E. TERRYN, "Duidelijkheid over het begrip "uitnodiging tot aankoop" en het gebruik van "vanaf" prijzen, DCCR 2011, p.103-105 (https://webgate.ec.europa.eu/ucp/public/index.cfm?event=public.doctrines.showDoctrineDetails&doctrineID=299).

"Article 2(i) of Directive 2005/29 must be interpreted as meaning that a verbal or visual reference to the product makes it possible to meet the requirement relating to the indication of the product's characteristics, and that includes a situation where such a verbal or visual reference is used to designate a product which is offered in a variety of forms. It is for the national court to ascertain, on a case-by-case basis, taking into account the nature and characteristics of the product and the medium of communication used, whether the consumer has sufficient information to identify and distinguish the product for the purpose of taking a transactional decision".

E. Directive on consumer protection in the indication of the prices of products offered to consumer (Directive 98/6/EC)

Directive 98/6/EC, of the European Parliament and the Council of 16 February 1998, on consumer protection in the indication of the prices of products offered to consumer, has the purpose to stipulate indication of the selling price and the price per unit of measurement of products offered by traders to consumers in order to improve consumer awareness and to facilitate comparison of prices. This is a Directive of minimum harmonization and it does not prevent Member States from maintaining or adopting provisions which are more favourable as regards consumer access to information and comparison of prices.

According to definitions stated in Article 2 (a), the *"selling price shall mean the final price for a unit of the product, or a given quantity of the product, including VAT and all other taxes;"* The definition of "unit price" is also stated in Article 2 (b) as meaning *"the final price, including VAT and all other taxes,"* for a single unit of quantity of a product.

As disposed under article 4 of the Directive, the selling price and the unit price must be unambiguous, easily identifiable and clearly legible (including VAT and all other taxes).

In order to ensure the effectiveness of the provisions laid down in the Price Indication Directive, it also states that Member States shall lay down penalties for infringements of national provisions adopted in application of the Directive, and shall take all necessary measures to ensure that these are enforced.



III. Methodology of the Joint Project

The methodology used in this project is based on the review and analysis of three work documents, prepared by the Net based on the complaints received from consumers. The data collected is on the topic of the Joint Project "Online holiday booking: is the initial price the final price?" The three work documents focus on online holiday booking and have engaged both the ECC Network and consumers from all European Union member states as well as Iceland and Norway. The conclusions of the Joint Project are based on the analyses of all data collected from the three documents.

A. Scope of the deliverables

The three deliverables have been established in order to find out whether the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) for online booked flights, hotels, cars, timeshare[11] or any other holiday service (package holiday services were excluded),[12] corresponded to the price paid at the end of the booking process by consumers. The deliverables are the following:

1. A questionnaire for the ECC-Net
2. A "Mystery shopping guide" for the ECC-Net
3. A questionnaire for consumers

[11] It has been decided to include timeshare contract in order to insure to obtain a complete overview of online bookable holiday services.

[12] Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC, has recently been adopted. This directive rules inter alia the case of a price increase of package holidays.

These three deliverables focus on one of the following questions, whether:

- the price varies during the reservation process and until the definitive booking of the service or
- the price varies after the definitive booking but before the use of the booked holiday service.

Consequently, price increases which occurred after the use of the purchased service have been excluded from the scope of the report.

Depending on the deliverables, data referring to either 2015 or 2016 have been collected via the above-mentioned research methods.

The "blank left spaces" allowed participants to add remarks to the pre-defined questionnaires.

The results have been compiled in inventory tables which gathered the answers to the questions, respectively sub-questions from the deliverables as well as remarks which are within the scope of the Joint Project.

The data collected via these three deliverables will be in relation to the data sorted out of the ECC-Net's internal data base ("IT-Tool").

B. Main Focus of the deliverables

a. Questionnaire for the ECC-Net

Firstly, a 14 items questionnaire regarding cases[13] submitted by consumers in 2015 to the ECC-Network[14] has been drafted and distributed to the entire ECC-Network (30 centres). ECCs had to respond to the questions from 25 January 2016 until 19 February 2016.

The first question concerned the number of complaints received by the respective ECC on the topic of price indication of online booked holidays in 2015. The second question, focused on the categories of the submitted cases out of them how many were related to online reservation of a flight (low cost and full service

[13] Definition provided within ECC-Net's "vademecum": information requests, simple and normal complaints (for further information on this definition, please contact your national ECC).
[14] The complaints submitted to the ECC-Network were analysed as "Consumer ECC".

flights)[15], of a hotel, online car rental, online timeshare or any other online booked service.

Questions 3 to 8 concerned the nature of the complaint[16] and the opposing party.

In question 9 ECCs had to indicate the concerned pre-selected legal basis of the submitted cases.

In questions 10 and 11 ECCs had to indicate how many times they contacted a trader or intermediary in order to draw their attention to illegal or "not consumer friendly" practice. Figures on amicable solutions had also to be reported (question 2).

The last two questions from the questionnaire referred to the personal characteristics (sex and age) of consumers which contacted the Network in 2015.

b. Mystery shopping guide for the ECC-Net

A second deliverable called "Mystery shopping guide" was brought to the attention of the ECC-Net and contained a guideline for the conduction of the Mystery shopping as well as a questionnaire to be filled-in by the Mystery shoppers[17] during the simulation of the online holiday booking process.

Mystery shopping conducted within the ECC-Net allowed the Network to "act as a consumer" and to collect data on topics concerning European consumers per se, more precisely the issue of price indication of online booked holiday services.

More concretely the Mystery shoppers were asked to conduct a Mystery shopping exercise on websites offering the categories of online services which were the same as in the questionnaire for the ECC-Network (flights – low cost and non-low cost, hotels, car rental and timeshare). Each holiday service had to be booked once directly within the service provider (trader) and once via an online platform/travel agency. The Mystery shoppers were free to choose the websites on which the Mystery shopping would be conducted. If a website could be consulted under the national main domain (for example .lu, .at), the shoppers were asked to use this website. If a website could not be consulted under the national domain, the Mystery shoppers were free to conduct

[15] Not low cost flights = full service flights
[16] Multiple answers were possible.
[17] Generally speaking, a Mystery shopper is a person hired by a market research firm or a manufacturer to visit retail stores, posing as a casual shopper to collect information about the stores' display, prices, and quality of their sales staff.

the two different Mystery shopping techniques (within a trader and within the online platform/travel agency) on the website with the domain they thought is most frequently used in their country.

The attention of the Mystery shoppers was drawn on the fact that only one simulated booking per chosen website would be sufficient.

The results of the Mystery shopping had to be filled in a questionnaire consisting of 11 questions. The first question referred to both reservations of holiday services directly with the online trader[18] and via an online platform/travel agency.[19] As such it was asked that the exact platform where the purchased was made was provided within the first answer in the questionnaire.

Questions 2 to 11 concerned the reasons for the different price increases.

By fixing a period of reference for the execution of the Mystery shopping by the ECC-Network (1-5 February 2016) comparable results have been obtained.

While progressing with the simulated online booking, ECC-Net's Mystery shoppers had to indicate in the questionnaire if a price increase occurred and in the affirmative had to specify the below-mentioned reason(s) for the price increase:

- Bait advertising;[20]
- Credit card fees;
- Management fees;
- Fees for checking-in luggage (in case of a reservation of a flight);
- Fees for checking in passengers at the desk (in case of a reservation of a flight);
- Seat reservation fees (in case of a reservation of a flight);
- Fees for changing data in relation to passengers / guests / drivers or the booked service;
- Other.

If possible the pre-indicated best fitting alternatives had to be selected within the categories above.[21]

[18] Conclusion of the contract between a consumer and the service provider.
[19] The online platform/travel agent acts as an intermediary between the consumer and the service provider. Conclusion of a contract between the consumer and the service provider but via the online platform/travel agent.
[20] A merchant or online vendor will offer a sale or clearance price on an item or a service in an advertisement to encourage potential customers to visit his website. The low-priced item / service is often not available so the consumer is offered a similar, but more expensive item /service for purchase.
[21] Cf. annex; deliverable "Mystery shopping".

As far as car rental was concerned, the shoppers got precise instruction about how to rent a car. The Mystery shoppers were asked to select the late airport pick-up option (picking up the car at the airport and after 11 pm) while returning the car in a different place at any given time of the day. Furthermore, the Mystery shoppers were asked to specify whether the indicated price for car rentals did include extras (i.e. late airport pick-up and one way rental).

c. Questionnaire for consumers

The final deliverable a questionnaire to the attention of consumers has been drafted giving consumers the opportunity to express their experiences with online holiday booking in 2015.

In order to reach a wider audience, the English version of the questionnaire was translated by the ECC-Net into all official languages of the European Union, as well as Norwegian and Icelandic.

The ECC-Network has been asked to encourage consumers to participate in the questionnaire via news on their websites, newsletters, press releases and through social media, such as Facebook or Twitter.

From the 7th until 25th of March 2016, consumers from all EU countries, as well as Iceland and Norway, had to respond to a total of eight questions concerning online holiday booking.

The questionnaire intended to identify if consumers had already encountered price increases of the concerned online holiday booking services and if, yes, what has been the consumer's behaviour.

Therefore consumers were automatically redirected to the end of the questionnaire whenever they responded not having made an online reservation of a holiday service in 2015 or that the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) corresponded to the final price (question 1 and 2). For the very same reason, consumers were not asked to provide the nature of the service nor if they intended to book with the trader or via an online platform/travel agency.

In case a consumer did experience unexpected price increase (question 3),[22] he/she was asked to specify what he/she decided to do after having noticed the price increase (question 4).

The consumer could choose between the following options:

- To abandon the booking;
- Not to complain;
- To complain to the trader;
- To complain to a national consumer organisation;
- To complain to ECC-Net.

A "free text field" allowed consumers to indicate another reaction to the price increase.

Further, consumers were asked to provide information on the outcome of their complaints, if they launched any and if not, to indicate reasons for not taking further actions (question 5 and 6).

In this questionnaire, there were also two questions referring to the personal characteristics (sex and age) of the participants (question 7 and 8).

[22] Question 3 (bait advertising, credit card fees, services fees, fees for checking-in luggage, fees for checking-in passengers, seat reservation fees, fees for changing the data in relation to t passengers / guests / drivers or the booked service).



IV. Results of the deliverables

A. Questionnaire for the ECC-Net

- The evaluation of the results of the duly filled-in questionnaires[23] showed that 539 cases[24] have been submitted to the ECC-Net in 2015 which fall under the scope of the Joint Project.
- Within these 539 cases,[25] 602 problems have been identified by the ECC-Net and reported in the questionnaire. More concretely 365 times a problem related to a price increase of online booked flights[26] has been noticed whilst 160 times a problem concerning online car rental has shown up. Within the abovementioned figures, 68 problematic reservations of hotels have appeared in the questionnaire. Only 9 difficulties referred to "other holiday services" and no cases were submitted to the ECC-Net on the topic of online timeshare contracts.

[23] The data of 28 duly filled in questionnaire were evaluated: One ECC did not participate to the questionnaire; the data provided by one ECC was incoherent and could not be included to the evaluation of the questionnaires. Three ECCs indicated not having received any complaints on the topic of the Joint Project (Croatia, Iceland and Slovenia).

[24] It has been indicated by the majority of ECCs that due the encoding system of information requests research could not be made within these categories.

[25] 254 out of these 539 cases have been submitted by ECC Austria.

[26] At this stage, the differentiation between low cost and full service cost flight is not made.

a. Reasons for a price increase in the different categories

1. Low cost flights and full service flights

As mentioned above 365 cases related to a price increase of online booked flights (low cost and full service). The majority of the ECCs indicated that due to the encoding of information, researches could not be made within all these cases.

Only 132 out of 365 cases could be analysed as far as the categories in which the price increase have happened. Therefore, in 233 cases (132+233=365) precise analysis of price increase reasons were not possible.

Within these figures it appeared that the reasons for contacting the ECC-Net while booking a flight online were:

- Additional management fees (26 times);
- Additional fees for checking in passengers (24 times);
- Additional credit card fees (24 times);
- Additional fees for checked-in luggage (10 times);
- Additional fees for changing data entered by a consumer during the reservation (10 times);
- Bait advertising (10 times);
- Seat reservation fees (2 times).

Finally, in 24 cases "other" reasons such as currency fees or charges for infants have been indicated.

The above-mentioned problems were encountered in 68[27] cases when a low cost flight has been booked directly with the airline. 42 of the cases related to a price increase of bookings made through an intermediaries' website (i.e. an online platform or an online travel agency).[28]

[27] It was impossible to capture all the cases where the consumer booked directly with the trader
[28] It was impossible to capture all the cases where booking was made through the online platform/travel agency.

2. Car rental

The number of cases regarding online car rental lags with 160 cases far behind those regarding online flight booking (365).

For the above mentioned technical issues it was not possible to analyse all details concerning price increases. Nevertheless, ECCs has applied a very thorough analysis on a case-by-case basis of 112 out of the 160 cases available. ECCs have identified the following reasons for price increases: 7 bait advertising, 2 changing data, 12 credit card fees, 8 management fees and 83 were distinguished as others.

The analysis of the results revealed that most of the complaints made by consumers in 2015 concerning price indications for rental cars have been classified within the category « other » (82 out of 160 cases). "Other" has been partially explained by the ECC-Network by the following reasons: supplementary fuel charges, mandatory extras such as insurances or tires. Furthermore, many of the price offers did not include VAT.

In 96 out of 160 cases it couldn't be identified if a consumer booked a car rental service via an online platform/travel agency. It appears that in 74 out of 96 cases a price increase incurred during the reservation process of a rental car via an online platform/travel agency, while only 22 complaints were filed against price increasing during reservation made on a car rental company's homepage.

3. Hotels

Complaints concerning price increase of hotel or accommodation services were considerably low.

Only 68 complaints for the aforementioned matter were submitted in 2015 to the ECC-Net.

The Network could clarify the reasons for price increases in 46 out of 68 cases. A detailed breakdown, showed that in 6 of the cases bait advertising was the main reason for the price increase, while in only 2 of the cases there were hidden management fees which contributed for the increase. In 2 of the cases credit card fees were incurred by the consumer, which contributed for the price increase.

In the rest 36 cases various supplementary charges like cleaning or parking fees have been noticed. Consumers have complained about "surprising" (unexpected) reasons which have contributed for price increase of their initial booking. The "surprising" supplementary fees have been specified as for not being British citizen or not being a married couple.

In most of these cases, the booking has been completed through an online platform or an online travel agency (39 out of 42 cases). Only 3 of the complaints were against supplementary fees charged by hotels.

4. Other holiday services

As the holiday sector includes broad range of services « other online booked holiday services » were included into the questionnaire given to the ECC-Net.

Only 11 complaints were registered under the category "other online booked holiday services".[29]Those cases related to credit card fees (2), bait advertising (1) as well as insurances offered simultaneously during a flight reservation (8). 9 of these price increases occurred while booking was made through an online platform/travel agency and two occurred while booked directly through the trader.

5. Timeshare

No cases have been submitted in relation to timeshare.

Analysing complaints submitted by consumers to the ECC-Net must include classification of those complaints within the concerned legal provisions.[30]

b. Legal basis of the complaints

From the 539 cases submitted to the ECC-Net, 323 complaints have been identified as having legal grounds. Out of the 323 cases, in 218 complaints EU legislation was concerned. The majority of these cases (98 out of 218) have been classified as falling under the provisions of Directive 2011/83/EU on consumer rights (Consumer Rights Directive[31]).

[29] ECCs did not specify the services concerned about the complaints (most probably because of the encoding system). Hence only the reasons for the price increase will be analysed in this report.
[30] Multiple answers were possible.
[31] Directive 2011/83/UE of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

72 of the cases have been registered as falling under Directive 98/6/EC on consumer protection[32] in indication of the prices of products offered to consumers.

In 34 cases the reported price increase has been qualified as falling under the scope of Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market (UCP Directive).

According to the results of the questionnaire for the ECC-Net only 14 cases fell under the scope of Regulation EC No 1008/2008.[33]

Relevance and applicability of national law has been established in 32 cases.[34]

Finally, in 72 cases ECCs indicated that from a legal point of view "another" legal provision than the alternatives indicated in the questionnaire or even in the list of the internal data system could have been applicable.

c. Complaint handling

The results of the questionnaire for the ECC-Network have further indicated that in the majority of cases (344 out of 460 cases[35]), the trader against whom the complaint was filed has not been contacted by the ECC-Network. However, in 116 cases a trader has been contacted. The ECC-Network either required the trader to comply with the law that, in the case-handler's opinion, had been violated (108 cases) or asked for a good-will gesture (7 cases). In the cases of illegal commercial practices a positive consent (amicable settlement) has been obtained from the trader in 63 cases, whereas a good-will gesture has been provided to the consumer in 2 of the cases.

d. Profile of consumers

- Information on the age or the gender of consumers who contacted the ECC-Net in 2015 on the topic of the Joint Project was mostly unavailable.[36]

[32] Directive 98/6/CE of the European Parliament and of the Council of 16 February 1988 on consumer protection in the indication of the prices of products offered to consumers.
[33] This is probably due to the encoding system as this regulation is not expressively indicated within the list of legal provisions. This result has been obtained by a case by case analysis but not every ECC was able to proceed to such an analysis.
[34] No further information has been provided by the ECCs most probably as a case by case analysis could not be provided.
[35] 69 out of these cases correspond to either information requests or cases in progress.
[36] Due to the encoding system within the internal data base, national data base not always available or does not provide these information.

B. Mystery shopping

The Mystery shopping has been conducted within the entire ECC-Net on the basis of the Mystery shopping guidelines. All the 30 Centres simulated online reservations of flights, hotels, cars and timeshare and responded to eleven questions.

Referring to the guidelines, the ECC-Network had to create 300 simulated bookings.(37)

In total, 237 simulations of online booked holiday services have been conducted by the ECC-Net during the Mystery shopping.(38)

a. Mystery shopping of flights (low cost and full service)

30 Centres participated (totally or partially) to the Mystery shopping of flights. In total 119(39) simulations of flights booking have been conducted within the Network, out of which 59(40) concerned low cost flights and 60 full service flights.(41)

aa) is the initial price for flights the final price?

Accordingly, the results showed that in the vast majority of cases the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) for a flight did not correspond to the final price. As a matter of fact, in 92(42) cases the final price for a flight(43) did not correspond to the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services). Concerning the distinction in price increase scenarios between low-cost and full service flights, it has appeared

(37) Every Centre (30) had to conduct 10 simulations within 2 different providers = 300 simulations.
(38) Concerning low cost flights reserved via platforms / an online travel agency, Bulgaria did not participate to the Mystery Shopping. Furthermore due to technical difficulties on the website, the Mystery shopping concerning the online reservation of rental cars via a platform / an online travel agency could not be conducted by ECC Austria. Furthermore no simulation could be made regarding online timeshare booking.
(39) (30 low cost flights via trader+ 29 low cost flights via an online platform/travel agency)+ (30 full service flights via trader +30 full service flights a platform / online travel agency) = 119 reservation simulations of flights.
(40) 30 low cost flights via trader+ 29 low cost flights via an online platform/ravel agency = 59 reservation simulations of low cost flights.
(41) 30 full service flights via trader +30 full service flights an online platform/travel agency = 60 reservation simulations of full service flights.
(42) (24 low cost flight offers via a trader+25 low cost flight offers via an online platform/travel agency)+ (25 full service flight offers via a trader+ 18 full service flight offers via an online platform/travel agency)= 92 price increases during reservation simulations of flights.
(43) In total 119 simulations of flights have been conducted within the Network.

that in 49[44] price offers of low-cost flights out of 59 do not correspond to the final price, whereas, a price increase of full service flights has been reported in 43[45] out of 60 cases. Hence, a price increase has occurred in 83.05% of low-cost flight offers and in 71.66% of full air travel service offers.

It is important to notice that within these figures in 50[46] out of 59[47] simulated flight reservations via online platforms/travel agencies[48] the indicated price did not correspond to the final price. On the other hand, 49[49] out of 60[50] prices indicated by airlines/traders did increase during the simulated reservation process. According to these figures the indicated price via an online platform / an online travel agency increased in ca. 85% where the price offered directly by the airline raised to 82%.

Hence, it appears that the figure on price increases on online platforms/travel agencies slightly prevails over the figure relating to price increases of bookings made directly through the traders/airlines.

Furthermore, it can be concluded that the risk to encounter a price increase is higher when booking a low cost flight as well as booking via an online platform/travel agency.

ab) Reasons for price increases on online platforms/travel agencies

Finally, it has to be analysed what are the reasons for price increases on online platforms/travel agencies and directly with the airline / trader are.

The outcome of the Mystery shopping concerning both low-cost and full service flights has revealed that in case of a reservation via an online platform / an online travel agency there are four main reasons,[51]which provoke a price increase of the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services):

[44] 24 low cost flight offers via a trader+25 low cost flight offers via an online platform/travel agency = 49 price increases during reservation simulations of low cost flights.
[45] 25 full service flight offers via a trader+ 18 full service flight offers via an online platform/travel agency = 43 price increases during reservation simulations of full service flights.
[46] 25 low cost flights+ 25 full service flights= 50 price increases during reservation simulations of flights via an online platform / an online travel agency.
[47] 29 low cost flights via a platform/travel agency + 30 full service flights via an online platform/travel agency= 59 simulated reservations of flights via a platform/travel agency.
[48] 29 low cost flights + 30 full service-cost flights via an online platform/travel agency
[49] 24 low cost flights via a trader +25 full service flights via a trader = 49 price increases during simulated reservations of flights via a trader.
[50] 30 low cost flights via a trader + 30 full service flights via a trader= 60 simulated reservations of flights via a trader.
[51] Multiple answers possible.

- Credit card fees (46)[52]
- Fees for checked-in luggage (34)[53]
- Management fees (32) [54]
- Fees for changing data (20) [55]

ac) Reasons for price increases within the airlines / traders

Concerning reservations directly made with the airline, the following four main reasons were identified as leading to a price increase:[56]

- Fees for checked-in luggage (39)[57]
- Seat reservation fees (38)[58]
- Credit card fees (29)[59]
- Fees for changing or amending data (26)[60]

In conclusion, taking into account the above figures it is evident that the nature of fees leading to a price increase of the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) is more or less recurrent, regardless whether the reservation is for low-cost or full service flights, via online platforms / online travel agencies or directly with the trader.

b. Mystery shopping on hotels

During the Mystery shopping in 47[61] out of 60 simulations[62] (ca. 78%) of online reservations of hotels a price increase occurred. In only 13 out of 30 simulated reservations of hotels a price increased, more precisely during 7 simulated reservations via a trader and in 6 simulations via an online platform/travel agency.

[52] 27 low cost flights via an online platform / an online travel agency + 19 full service flights platform / online travel agency= 46 price increases due to credit card fees.
[53] 17 low cost flights via an online platform / an online travel agency + 17 full service flights via an online platform / an online travel agency = 34 price increases due to fees for checked-in luggage.
[54] 18 low cost flights an online platform / an online travel agency + 14 full service flights an online platform / an online travel agency = 32 price increases due to management fees.
[55] 14 low cost flights via an online platform / an online travel agency + 8 full service flights via an online platform / an online travel agency = 20 price increases for fees for data changes.
[56] Multiple answers were possible.
[57] 24 low cost flights via a trader + 15 full service flights via a trader =39 price increases due to fees for checking-in luggage.
[58] 24 low cost flights via a trader + 14 full service flights via a trader = 38 price increases due to seat reservation fees.
[59] 16 low cost flights via a trader + 13 full service flights via a trader = 29 price increases due to credit card fees.
[60] 13 low cost flights via a trader + 13 full service flights via a trader = 26 price increases du to fees for changing data.
[61] 23 simulated reservation via a trader + 24 simulated reservations via an online platform/travel agency = 47 simulations during which any price increase incurred.
[62] 30 simulated reservations via a trader +30 simulated reservations via an online platform/travel agency = 60 simulated reservation of a hotel.

The analysis of the results revealed that in the majority of cases "other" reasons were chosen for the price increase than the alternative answers provided in the questionnaire (12[63] times out of 13 price increases). Even though, it appeared that such "other" reasons for a price increase corresponded to fee incurring extras like breakfast, lunch or parking fees. Furthermore, in the majority of such cases, the information on eventual supplementary fees has been clearly provided.

Nevertheless, bait advertising has been determined in 8[64] cases. More concretely the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) has either not been available or has not been clearly indicated on the website.[65]

c. Mystery shopping on car rentals

Figures on flights and hotels are contrasting with figures on rental cars.

In regards to simulated reservations of rental cars in 33[66] out of 58[67] cases (ca. 56%) the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) for a car rental corresponded indeed to the final price.[68] Hence in 25[69] cases supplementary fees led to a price increase of the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of the respective services).

Concerning the question whether the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) includes chosen extras[70] Mystery shoppers replied positively in 19[71] out of 36[72] cases (ca. 53%). Hence, in 17 cases (ca. 49%) price increases occurred in the case of chosen extras.

(63) Multiple answers possible.
(64) 5 simulated reservations via a trader + 3 simulated reservations via an online platform/travel agency = 8 price increases due to bait advertising.
(65) "Click trough the calendar on the website in order to find and reserve the offer".
(66) 21 simulated reservation via a trader + 12 simulated reservations via an online platform/travel agency = 33 simulated reservation during which any price increase has been reported.
(67) 30 simulated reservations via a trader + 28 simulated reservations via an online platform/travel agency = 58 simulated reservations of rental cars.
(68) In total 59 responses were given by the ECC-Net concerning Mystery shopping and online car rental.
(69) 9 simulated reservations via a trader + 16 simulated reservations via an online platform/travel agency = 25 price increases during simulated reservations of rental cars.
(70) Late airport pick-up + one-way rental.
(71) 9 simulated reservations via a trader + 10 simulated reservations via an online platform/travel agency = 19 price offers including chosen extras.
(72) 16 online car rental via a trader+ 20 reservations via an online platform/travel agency = 36 replies.

Finally, in 21[73] cases the Mystery shoppers indicated that "other" reasons were the main cause of the increased price. In 6 cases a violation of the opt-in rule has been recognized as insurance policies were automatically included. Mystery shoppers indicated also that bookable extras were fee occurring but stressed that the information was clearly provided either by the trader or the online platform / online travel agency.

d. Timeshare

Finally the Mystery shopping confirmed that timeshare contracts cannot be concluded online. Therefore, no follow up questions or answers were gathered in relation to this matter. The report did not include in its analysis any further comment on the subject of timeshare, as there have been no complaints from consumers or examples of violations of consumer legislation encountered by the Network.

C. Questionnaire for consumers

The deliverable to the attention of consumers was also elaborated. The questionnaire for consumers has been put at the disposal of consumers in 27 EU countries as well as Iceland and Norway from 7 until 25 March 2016.[74]

In total 513 consumers responded to the 8 set of questions.[75] 327 (ca. 64%) participants indicated to have completed an online reservation of a holiday service in 2015.

194[76] of these participants were faced with a price increase whereas in 42 cases any price increase had occurred.

133 consumers responded to the question in relation to reasons for a price increase.[77]The figures concerning the reasons[78] for the price increase are very close to each other as in 39 cases credit card fees applied, in 33 cases bait advertising was indicated and in 32 cases service fees increased the "initial

[73] 10 simulated reservations via a trader + 11 simulated reservations via an online platform/travel agency = 21 other reasons for a price increase during simulated reservation of rental cars.
[74] Only one country did not participate to this exercise.
[75] Multiple answers were possible; consumers had the possibility to skip a question.
[76] Some questionnaires did not exclude participants from question 2 which responded negatively to the first questions. Plus consumers had the possibility to skip the question.
[77] Possibility to skip the question.
[78] Multiple answers possible.

price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services). In 18 cases the price increase was due to fees for checking-in luggage, whilst 13 cases were related to seat reservation fees. In 6 cases consumers indicated that changing data had been fee occurring. In 4 cases fees for checking-in passengers were charged.

This questionnaire focused also on consumer's behaviour in case the final price for a holiday service does not correspond to the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services).

To the questions concerning consumer's reactions in case of a price increase, 118 consumers[79] replied. Five pre-selected answers for each question plus free writing field were provided in the questionnaire.[80] Firstly, 61 times consumers indicated not having complained at all. Furthermore, in 43 cases the reservations have been made despite the price increase. While only 32 consumers complained in case additional fees led to a price increase of the "initial price" (20 consumers complained to the trader, 8 consumers complained to a national consumer organization and 4 to the ECC-Net[81]). Furthermore 15 consumers indicated to have reacted in "another" way but did not indicate what concrete actions they have undertaken. The reason why there are more answers than participants to the questionnaire is that some consumers might have booked more than one holiday and hence gave several answers, as multiple answers were possible (151 answers given by 117 respondents).

Concerning the reason for not complaining,[82] the 31 consumers indicated not having known that complaining procedures or institutions about the matter were available. Additionally, 25 times consumers underlined that complaining would have taken too much time. Further, 22 of the consumers were not confident that the complaints could have been solved, whereas 18 considered the value of complaint to be too low. Finally, 15 consumers specified not having known where to complain.

[79] Possibility to skip.
[80] You decided to not make a reservation, you did not complain, you complained to the online trader, you complained to a national consumer organisation, you complained to the ECC-Net, other.
[81] 15 consumers replied « other » but did not give further explanations.
[82] Multiple answers were possible.

The question whether an amicable solution has been found to the complaint made by the consumer, 46 consumers gave positive answers, while[83]32 answered negatively to the question. In 9 cases an amicable settlement has been obtained.

173 out of 334[84] respondents to the questionnaire were women and 160 were men. In regards to defining the age groups[85] 110 consumers responded being of the age between 41-65 years and 100 between 26-40. It is interesting to mention that 30 participants were aged between 16 and 25 and 25 indicated being 65 or more of age.

[83] This discrepancy (only 32 consumers initially indicated having complaint in case of a price increase) in figures is certainly related to the fact that consumer who complained once outside of the scope of the Joint Project, did nevertheless respond to this question 6.
[84] One respondent did not answer.
[85] Question 8.



V. Evaluation of the results from the deliverables

Main findings

- 1289 elements have been analysed within the Joint Project:
- 539 cases of the questionnaire for the ECC-Net
- 237 simulated reservation during the Mystery shopping within the ECC-Net
- 513 respondents to the questionnaire for consumers
- Issues around booking flights appeared to be the main problem for consumers regarding price indication of online bookable holiday services.
- In the majority of cases, management fees, credit card fees and fees for checking-in passengers led to a price increase in comparison to the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services).
- In the majority of cases, these problems were encountered during an online reservation via a trader's website.
- In the questionnaire for consumers, respondents mostly complained about credit card fees. This result has been confirmed by the Mystery shopping.
- The ECC-net contacted traders in 108 cases in 2015 because of illegal commercial practices and obtained an amicable solution in 63 cases.

The analysis of the results from the questionnaire for the ECC-Net revealed

that in the majority of cases the final price for flights did not correspond to the "initial price" (365 out of 539 cases). This result has been reaffirmed by the Mystery shopping exercise where in 92, out of 119 simulated online flight reservations, a price increase has been reported.

Concerning the distinction between low cost and full service flights (as far as feasible), it has appeared that most of the price increases were incurred in case of low cost flight offers. As a matter of fact, in 96 cases identified in 2015 by the ECC-Net the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) for a low cost flight did not correspond to the final price provided by the trader. This result has been upheld by the Mystery shopping in 2016 where in 49, out of 59[86] simulated online reservations of low cost flight, a price increase occurred.

When it comes to the reason for a price increase of the "initial prices" (the prices which are proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) for low cost flights, it clearly appeared in the questionnaire for the ECC-Net that consumers in 2015 mostly complained about price fees for checking-in passenger which were not included within the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services).

During the Mystery shopping conducted in 2016 three major reasons for a price increase (low cost and full service flights) have been identified (credit card fees, fees for checked-in luggage and seat reservation fees).

Based on the results from the questionnaire for consumers,[87] the three major reasons for price increase were credit card fees, bait advertising and service / management fees. In regards to the credit card fees, the result has been re-confirmed by the Mystery shopping.

The comparison of these results reveals that in 2 out of 3 deliverables, credit card fees have been the main reasons for a price increase.

Referring to the figures on whether the reservation has been made via a trader or an online platform / an online travel agency, figures of the questionnaire for the ECC-Net revealed that in 2015 reservation of low cost flights directly with the trader lead in the majority of cases to a price increase (52 out of 78 identified cases).

[86] Not every ECC simulated an online reservation of a low cost flight.
[87] Difference between flights, hotels, car rental and timeshare has not been made.

This result has not been affirmed in 2016 by the Mystery shopping.

Concerning full service flights, the evaluation of the questionnaire for the ECC-Net and the Mystery shopping revealed that "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services) offers made via online platforms / online travel agencies mostly did not correspond to the final price (25 out of 29 simulated reservations + 16 out of 31 identified cases).

It can be concluded that during the Mystery shopping most of the price increases were encountered while simulating a reservation via an online platform/ an online travel agency whilst the figures of the questionnaire to the ECC-Net varied.

Figures on price increases concerning hotels and rental car are far behind online reservations of flights as it results from the Mystery shopping and questionnaire for the ECC-Net.

Neither consumers, nor the ECC-Net identified a price increase of timeshare offers. This study confirmed that this type of contract cannot be concluded online.

When it comes to the question to know how ECC-Net and consumers themselves dealt with a situation of price increase, it appears that the trader is rarely contacted.

In 108 out of 460 cases the ECC-Net identified a potential violation of law and contacted the trader. In 63 out of these 109 cases a positive response has been obtained.

Only 32 out of 118 consumers complained after a price increase of the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services). As several answers were possible to the question why they did not complain the results are not very clear, descending values will be indicated:

- 31 times consumers answered not having known that complaining on the topic of price increase of online booked holiday services was possible.
- 25 times consumers indicated that complaining would have taken too much time.
- 22 replies referred to a consumer not being confident that the complained could be resolved
- 18 considered the value of the complained as being too low to complain
- 15 consumers specified not having known where to complain

Concerning the legal basis indicated by the ECC-Net within the questionnaire for the Network it appeared that in the vast majority of cases (218 out of 322 identified cases) European legislation has been concerned. In 98 cases, so in the majority of these above-mentioned cases, the ECC-Network referred to the Consumer Rights Directive.

As data concerning the profile of consumers could not have been indicated within the questionnaire for the ECC-Net, the questionnaire for consumers revealed that a slight majority of participants were women (173 women and 160 men). Those consumers were mainly between 41-65 and 26- 40 years old.[88] It is interesting to mention that 30 participants were between 16 and 25 and 25 more than 65 years old.

[88] Descending values indicated.

VI. Recommendations

I. To consumers

Today you can book a flight, a hotel or a car in only one mouse click! But even if it seems easy, make sure the offer you are willing to accept online fits your needs and expectations! Take your time and compare the offers of online platforms/online travel agencies and traders. A seemingly good deal is not necessarily a real bargain for you!

Taxes included

Prices need to be indicated inclusive of all mandatory fees and taxes in a clear way and at the beginning of the booking process!

What "extras" do you need?

In case you would like to add extras like breakfast, checked-in luggage or 1-way rental for your rented car, verify whether these services were included and if not look for the list of "extras" so as to see the full price of the service you want to book?

Take your time!

Check the cancellation policy first – Often you cannot cancel even right after the booking.

Avoid booking before being sure that the data you entered is correct and the offer fits your needs and expectations. Double check always!

Are you flexible in dates?

If not make sure the « flexible-dates-function » is not pre-set.

Insurance? Know what you get!

Ask yourself what kind of insurance you really need and verify the terms and conditions of the policies you've already signed (credit cards for instance)

Read the terms and conditions of insurance policies before accepting them and avoid paying for unnecessary insurances.

Read carefully!

Are there pre-set extras? Pre-ticked boxes? This is not legal in the EU! Complain to your national ECC if you come across such practices. If you do not want to add the extra service to your reservation, untick the box before booking.

How to pay?

Be aware that credit card fees might be added to the initially indicated price and look for information on this.

Be on the safe side!

In case of problems, make sure you have screenshots as proof that your claim is founded! So take print screens of what you are booking.

Double check!

Before pressing "book now" check the displayed data very precisely: Read the page from the left to the right rim, from top to bottom. Even right after the booking, changing data will most probably be fee-incurring.

Remember, your booking can be binding even if you did not have to enter credit card or bank account data before pressing the "book now" button.

Check your e-mail!

Booking confirmations or important notes will be sent by e-mail by the trader. Please check them. Bear in mind that such e-mails might sometimes be automatically transferred to your Junk-Mail box.

II. To traders

The European Consumer Centres Network (ECC-Net) consists of 30 members. It is our mission to inform consumers about their rights and obligations in the European Union, Iceland and Norway and to assist them in case of a cross-border complaint about a trader in another EU country, Iceland or Norway. Every year we receive more than 25 000 enquiries and complaints concerning holiday booking.

Stand out as a role model - Adopt visible best practice models.

Consumers want to make an informed decision - Make use of a transparent and comprehensive price indication policy.

Offer your customers, at the beginning of the online booking, information on the final price inclusive of all mandatory fees, taxes and additional charges; detail the exact content of the service for this price, display clearly optional additional charges. These should be visible in the same size and color of letters like the rest of the page.

Offer your customers for example a drop down menu reflecting the composition of the final price inclusive of all mandatory fees, taxes and additional charges.

IF the final price depends on some personal information: age of the driver in car rental, this need to be dealt with as early as possible in the booking.

Assure a quick and helpful customer service.

Make sure that your customer service is as effective and user friendly as your online reservation process and include the link to the ODR Platform, be responsive to reports coming from it.

Have a reliable Trustmark.

A serious Trustmark makes your website even more attractive, trustworthy and recommendable.

Get satisfied customers.

Don't' forget: Adapting a clear and comprehensive price indication policy will create satisfied consumers which, in a digital Era, will share their positive experiences online with other costumers.

III. To the European Commission, chambers of handicrafts and commerce and the Media

The results of the deliverables of the Joint Project have shown that consumers do complain about unexpected price increases of online booked holiday services. Furthermore it has appeared that in most of the cases the intervention of the ECC-Net has led to a positive resolution of cross border consumer complaints or a goodwill gesture.

Nevertheless, the evaluation has also shown that there may still be consumers who do not seek for legal advice or information if the final price for a flight, a hotel or a rental car does not correspond to the "initial price" (the price which is proposed online by a trader either via publicity or at the very beginning of an online reservation of holiday services).

To encourage these consumers to get advised about their concerns, it is crucial for consumers and also for the ECC-Net to continue focusing on visibility campaigns of the ECC-Net. As well as be conscious" campaigns to allow consumers in the future to be informed about their rights and to know that ECC-Net will provide professional legal advice and assistance in case of cross boarder consumer disputes.

Such awareness campaigns to the attention of both consumers and traders might be organised by the ECC-Net in collaboration with national media, chambers of commerce and handicrafts and any other actors in the European Digital Single Market.

Traders' awareness on consumers complaints about unexpected increases of "initial prices" for online booked holidays shall be increased. Furthermore, their obligations regarding price indication of online booked holidays shall be regularly reminded to them in order to avoid misleading consumers and breaching EU law. It is important for traders to comply with EU legislation and to build trustworthy relationships with consumers. The ECC-Net could seek to establishing a long lasting relationship between the main travel service representatives in the EU.

The European Consumer Centres Network (ECC-Net)

Help and advice for consumers in Europe

ECC-Net

European Consumer Centre

ECC AUSTRIA
Mariahilfer Strasse 81
1060 Vienna
+43 1 588 7781
info@europakonsument.at
www.europakonsument.at

ECC BELGIUM
Hollandstraat 13
1060 Brussels
+32 2 542 3346
info@eccbelgium.be
www.eccbelgium.be

ECC BULGARIA
14 Bacho Kiro Str
1000 Sofia
+359 2 986 7672
info@ecc.bg
www.ecc.bg

ECC CROATIA
Hrvatska Ulica grada Vukovara 78
10000 Zagreb
+385 1 610 9744
ecc-croatia@mingo.hr
www.ecc-croatia.hr

ECC CYPRUS
2 Agapinoros Street
1421 Nicosia
+ 357 2 286 7177
ecccyprus@mcit.gov.cy
www.ecccyprus.org

ECC CZECH REPUBLIC
Štěpánská 15
120 00 Prague 2
+420 2 963 661 55
esc@coi.cz
www.evropskyspotrebitel.cz

ECC DENMARK
Carl Jacobsens Vej 35
2500 Valby
+45 417 150 00
info@forbrugereuropa.dk
www.consumereurope.dk

ECC ESTONIA
Pronski 12
10117 Tallinn
+372 620 1708
consumer@consumer.ee
www.consumer.ee

ECC FINLAND
Siltasaarenkatu 12 A, 8th floor
00531 Helsinki
+358 29 553 9500
ekk@kkv.fi
www.ecc.fi

ECC FRANCE
Bahnhofsplatz 3
77694 Kehl
Germany
+49 7851 991 480
info@cec-zev.eu
www.europe-consommateurs.eu

ECC GERMANY
Bahnhofsplatz 3
77694 Kehl
+49 7851 991 480
info@cec-zev.eu
www.evz.de

ECC GREECE
144 Alexandras Av.
114 71 Athens
+30 21 064 607 34
info@eccgreece.gr
www.eccgreece.gr

ECC HUNGARY
József körút 6
Budapest 1088
+36 1 459 4832
info@magyarefk.hu
www.magyarefk.hu

ECC ICELAND
Hverfisgötu 105
101 Reykjavik
+354 5 451 200
ecc@ecciceland.is
www.ecciceland.is

ECC IRELAND
MACRO Building, 1 Green Street
Dublin 07 X6NR
+353 1 879 7620
info@eccireland.ie
www.eccireland.ie

ECC ITALY – Rome
Largo Alessandro Vessella, 31
00199 Rome
+39 6 442 380 90
info@ecc-netitalia.it
www.ecc-netitalia.it

ECC ITALY – Bolzano
Via Brennero, 3
39100 Bolzano
+39 471 980 939
info@euroconsumatori.org
www.euroconsumatori.org

ECC LATVIA
Brivibas Street 55 - 207
1010 Riga
+371 67 388 625
info@ecclatvia.lv
www.ecclatvia.lv

ECC LITHUANIA
Odminių g. 12
01122 Vilnius
+370 5 265 0368
info@ecc.lt
www.ecc.lt

ECC LUXEMBOURG
2 A, rue Kalchesbrück
1852 Luxembourg
+352 268 464-1
info@cecluxembourg.lu
www.cecluxembourg.lu

ECC MALTA
47 A, South Street
Valetta VLT 1101
+356 212 219 01
ecc.malta@mccaa.org.mt
www.eccnetmalta.gov.mt

ECC NETHERLANDS
Postbus 487
3500 AL Utrecht
+31 30 232 6440
info@eccnederland.nl
www.eccnederland.nl

ECC NORWAY
P.O. Box 463 Oslo
0105 Oslo
+47 23 400 500
post@forbrukereuropa.no
www.forbrukereuropa.no

ECC POLAND
Plac Powstańców Warszawy 1
00-950 Warsaw
+48 22 556 0118
info@konsument.gov.pl
www.konsument.gov.pl

ECC PORTUGAL
Praça Duque de Saldanha, 31-1º
1069-013 Lisbon
+351 21 356 4750
euroconsumo@dg.consumidor.pt
cec.consumidor.pt

ECC ROMANIA
Str. Maior Aviator Ștefan Sănătescu nr. 44, floor 1, ap. 2, Sector 1 • 011478 Bucharest
+40 21 315 7149
office@eccromania.ro
www.eccromania.ro

ECC SLOVAKIA
Mierová 19
827 15 Bratislava 212
+421 2 485 420 19
info@esc-sr.sk
www.esc-sr.sk

ECC SLOVENIA
Kotnikova 5
1000 Ljubljana
+386 1 400 3729
epc.mgrt@gov.si
www.epc.si

ECC SPAIN
C/ Príncipe de Vergara, 54
28006 Madrid
+34 91 822 4555
cec@msssi.es
www.cec.consumo-inc.es

ECC SWEDEN
Tage Erlandergatan 8 A
651 02 Karlstad
+46 54 194 150
info@konsumenteuropa.se
www.konsumenteuropa.se

ECC UNITED KINGDOM
1 Sylvan Court, Sylvan Way
Southfields Business Park
Basildon Essex SS15 6TH
+44 1 268 886 690
ecc@tsi.org.uk
www.ukecc.net

Help and advice
for consumers
in Europe

ECC-Net

European Consumer Centre Luxemburg

The European Consumer Centres Network (ECC-Net)

We...

- inform consumers about their rights and opportunities in Europe
- advise on cross-border consumer topics
- offer legal support for the settlement of cross-border disputes with a company in the EU, Iceland and Norway

You can contact us by phone or visit us in our office
Monday, Tuesday, Thursday and Friday from 9 am to 4 pm
and Wednesday from 9 am to 1 pm

ECC Luxembourg

2A, rue Kalchesbrück
L-1852 Luxembourg
+352 26 84 64 -1
info@cecluxembourg.lu
www.cecluxembourg.lu

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