



POSITION PAPER

How can we make travel in the EU better for consumers?

February 2014

Contact Person: Michela Vuerich
ANEC-SERV-2014-G-005

List of Contents

Executive Summary	2
Introduction	3
1. Findings of the ANEC study on travellers and tourists' complaints	4
1.1 Problems experienced	4
1.2 Complaints	5
1.3 Disabled travellers	5
2. Recommendations and lessons arising	6
3. Conclusion – ANEC proposals and objectives	10
3.1 ANEC expectations from service standards	10
3.1.1 Core consumer aspects to cover in consumer services standards	10
3.1.2 Legislative environment	11
3.2 ANEC intents deriving from its research findings	11
Acknowledgements	12
About ANEC	13

Executive Summary

With a view to complement the ANEC position on the safety of services, and safety of accommodation in particular, ANEC carried out a study to collect practical examples of consumer complaints related to cross-border services. We wished to identify other aspects of services where standards could support consumer protection.

The focus of the study [ANEC research study on complaints related to European cross-border travel and tourism](#)¹ was on consumers' experiences of using travel and tourism services - an area of major cross-border concern. Further to the consultation of the European Consumer Centre Network (ECC-Net) data, a consumer survey was conducted with the support of national consumer organisations in seven EU countries.

The study looked both at the problems encountered by consumers as well as the advancement of complaints.

This position paper outlines the findings of the study and highlights key areas of concern for consumers when travelling within Europe:

- I. High incidence of problems with car rental
- II. Inadequacy of pre-contractual information
- III. Language barriers
- IV. Increased use of review sites
- V. Confusion around liability
- VI. Low awareness of consumer rights
- VII. Low satisfaction with complaints handling by service providers
- VIII. Enforcement of consumer legislation
- IX. Uncertainty of consumers about how to escalate complaints
- X. Lack of official data on travel complaints

In each of these issues, the paper gathers recommendations both for legislators and standardisers resulting from the ANEC research. Finally we conclude by confirming the ANEC position on services standardisation and additional ANEC objectives to tackle the issues highlighted in this new research study.

¹ Prepared by Julie Hunter, January 2014 <http://www.anec.eu/attachments/ANEC-R&T-2013-SERV-002final.pdf>

Introduction

The ANEC Working Group on Services identified the need to collect data on practical examples of complaints in the consumer services area with a special attention to cross-border data.

It was decided to focus on consumers' experiences of using tourism services - an area of major cross-border concern - to find out what difficulties travellers face.

We discovered a lack of unified data about the consumer experience of, and satisfaction with, European tourism services. Existing data tends to focus on trends (e.g. who is travelling where?) rather than on the problems travellers experience. Wanting to find out more, ANEC commissioned its own research, which included a survey of European consumers, to collect practical examples of the way that people travel within Europe, the services they use, the nature of problems they experience and their likelihood to complain.

With a view to complement the ANEC position on the safety of services, and safety of accommodation in particular, we trusted the study would identify other aspects of services where standards could support consumer protection. The main purpose of the analysis has been to provide ANEC representatives with sound evidence to use in support of the consumer interest in their work on service standards.

1. Findings of the ANEC study on travellers and tourists' complaints

The main objectives of the ANEC 2014 research project in services were to collect practical examples of consumer complaints in the area of European cross-border travel and tourism, while finding out about the nature of problems experienced and investigating how people respond to problems, whether they complain and, if so, to which organisations they complain.

Desk research was carried out on existing complaints data by internet research and telephone conversations with ECC-Net staff at the European Commission.

With a view to deepening our understanding of complaints, this desk research was complemented by an online survey. The questionnaire was written by the research project consultant, in liaison with members of the Services Working Group at ANEC. The online survey was hosted by Stiftung Warentest, a German consumer organisation and promoted by eight partner organisations (in seven countries).

These were:

1. Cyprus - Cyprus Consumers' Association
2. Czech Republic - Czech Association of Consumers TEST
3. Denmark - Taenk/Forbrugerradet (Danish Consumer Council)
4. Germany - Stiftung Warentest
5. Greece - NEW INKA Consumers Association
6. Greece - EKPIZO
7. Slovenia - Zveza Potrošnikov Slovenije (ZPS)
8. United Kingdom - Which?

A total of 5791 European consumers completed the online survey (in field August to September 2013). The majority of respondents (91.5%) had used a cross-border travel or tourism service during the previous 12 months.

Just over half (58%) of tourism/travel services were booked directly with the service provider. The remaining services were booked via third party agents such as travel agents and price comparison sites. 80% of respondents booked their travel service online, 17.6% booked in person and 13.2% by telephone.

1.1 Problems experienced

The ANEC study revealed that travelling within Europe is not always easy. More than a quarter of people (26.8%) reported having problems when using tourism services within Europe.

Car rental was seen as the most problematic service area, with 22.4% of people hiring a car reporting a negative experience. Consumers also experienced high levels of problems with travel by plane (16.1%), by train (15%), and with package holidays (14.2%).

The type of problems experienced depended on the tourism service used – car rental, accommodation, train, plane, boat or package holiday – but common problems across all areas were poor levels of quality (28.7%), poor customer service (21.6%), unexpected additional charges (18.8%) and unclear information (16.8%).

1.2 Complaints

The study showed that respondents were quite assertive about speaking up – 69.2% made a complaint.

- However, the majority of people complained only to the service provider – 61.1% of people who experienced a problem made a complaint to the service provider.
- Satisfaction at the outcome of complaints to service providers is low – almost three-quarters (73.8%) of people who complained to a service provider rated the outcome of their complaint as less than satisfactory. 53.9% were not at all satisfied.
- Only a fraction of complainants took the matter further – for example to a form of independent dispute resolution, such as an ombudsman (1.4%), trade association (3.3%), European Consumer Centre (1.6%) or another consumer organisation in their own country (6.6%).
- Dissatisfied customers are more likely to ‘spread the word’ – telling family and friends about their negative experience (37.6%), or leaving negative reviews online (19.8%) – than complain to official sources.
- Of those that gave a reason for not complaining to the service provider, four in ten people (41.2%) said they did not think their complaint would be successful. 16.8% did not complain because they worried that the service provider would not respond well and 16.4% said it was too difficult or complicated.

1.3 Disabled travellers

The survey included a question on whether the respondents had a disability but there were no tailored questions on special needs. 7.4% of respondents told ANEC they had a disability. From the results, it can be deduced that car rental was one area in which disabled passengers experienced a higher proportion of problems – 26.1% of passengers with a disability experienced problems with their car rental, compared with 22% of passengers without a disability. From the perspective of the

survey, the results imply that disabled travellers were less likely to experience problems than consumers without disabilities. Overall, 23.2% of people with a disability had a negative experience while travelling in the EU, compared with 27.1% of consumers without a disability.

2. Recommendations and lessons arising

To improve the consumer experience of intra-European travel, our research highlights several key issues that need to be addressed:

I. High incidence of problems with car rental

The evidence points to widespread problems in this area, with some key consumer concerns that need attention e.g. fuel policies, insurance, extra charges, deposits and automatic debits from credit cards. Consumers are clearly at a disadvantage when dealing with car rental agencies and experience high levels of detriment. Attempts at resolution often fail. The study recommends that ANEC investigates this as an area of new work.

Car rental is an area that could benefit from tighter regulation and/or standardisation at a European level.

II. Lack of clear pre-contractual information

Evidence shows that problems were often caused by a lack of pre-contractual information, or confusion surrounding unclear information. Accurate and comprehensive pre-contractual information is vital so that consumers can make informed purchasing decisions. The EU Directive on Unfair Commercial Practices contains legislation that covers pre-contractual information, stating that: "all the necessary information for the consumer must

A standard covering 'pre-contractual information' could give more detailed guidance to underpin existing laws.

be provided to him/her in a clear and comprehensible manner at a suitable time to enable him/her to make a transactional decision."

III. Language barriers make communication difficult

In many cases, our respondents faced problems caused (or exacerbated) by the difficulty of understanding important information in a country's native language.

This was particularly evident in the area of train travel where people were more likely to buy tickets on the day of travel and were confused about timetables and ticketing, pricing, booking information and complaints information. These issues should be considered during the development of future standards covering services likely to be used cross-border.

*Service providers should offer consumers **a choice of languages** so that they are **able to understand important information about the service being provided**. For example, announcements about delays or cancellations, bookings, complaints. These are issues for future consideration in cross-border services standards.*

IV. Increased use of review sites

Our research shows that many people who experience problems share their story on online review sites. These actions do not help them to achieve redress or to resolve their particular problem. They do not feed concerns directly back to the service provider to bring about change. However, 'spreading the word' to others might have a knock-on effect.

Online review sites are becoming influential in consumers' purchasing decisions, so the way they are set up and managed is key. There is the potential for consumers and service providers to abuse the system with inaccurate or misleading information. As review sites are growing in importance, we believe they would benefit from regulation or standardisation of some kind.

The key issues are:

- Clear and transparent information – about ownership of site, impartiality, what reviews are based on
- Structure of reviews – structure of the feedback template. Relevancy and usefulness of the questions posed to consumers
- Verification of reviews – processes in place to ensure reviews are genuine
- Dealing with complaints and abuse

V. Confusion around liability

With an increasing number of travel services being booked through the internet, as well as through traditional agents, it can be difficult for consumers to know who is responsible for putting things right. The revised Package Travel Directive proposes to address this, making it clearer to consumers who is responsible for resolving complaints if the booking is through a third-party. However, having

*There is a need for European regulation, or standardisation, of consumer review sites. **ISO recently proposed an international standard on review sites**. Consumers should participate in its development.*

*Relevant sections of the revised **Package Travel Directive on Liability** should be referenced in any future European standards regarding travel services.*

the Directive in place is only the first step. To make a difference, this information will need to be clearly communicated to consumers.

VI. Low awareness of consumer rights

Our research shows that consumers do not have a full understanding of their rights. One in ten (10.5%) of respondents experiencing problems told us that they did not make a complaint because they did not know their rights. With a broader population sample (not comprising members or supporters of consumer organisations), rates of awareness could be even lower.

Low awareness of consumer rights was also demonstrated in the reluctance of respondents to pursue complaints. If consumers do not know what to expect from a service provider, or do not know what is or is not acceptable, they will not be confident about proceeding with a complaint. This is proven by our findings, where the most common reason for not complaining was a fear that the complaint would not be successful (41.2%). Knowledge is power and, if consumers know their rights, they will be more confident about enforcing them and speaking out if things go wrong.

VII. Low satisfaction with complaints handling

Consumers are not satisfied with the way that service providers deal with complaints. Our research shows that people who have experienced a problem are most likely to make a complaint directly to the service provider, but satisfaction with the outcome of complaints is low. A huge 53.9% of respondents who had complained to the service provider about a problem were 'not at all satisfied'.

*Consumers dissatisfaction with complaints handling could be addressed by raising awareness to businesses of the **benefits of good complaint resolution** and promoting the existence of '**ISO 10002: 2004 - Customer Satisfaction: Complaints Handling**' to increase its use.*

VIII. Enforcement and awareness of consumer legislation

In many areas of travel and tourism, regulations already exist to protect consumers, but our research suggests that people are not benefitting from regulation as the responsibility lies with the consumer to enforce rights they do not know exist.

*Our research points to a **clear need to raise awareness about consumer rights in the area of travel and tourism**. Only when consumers know and understand their rights they will be able to enforce them and seek effective redress.*

Reasons for dissatisfaction included those covered by EU regulation e.g.

flight delay, unexpected charges and unclear information. However, in many cases people were simply not aware of their rights, and even when they did understand that they were entitled to compensation, many experienced difficulty in seeking redress to which they were legally entitled. This suggests that businesses might benefit from further education about the law, and potential consequences arising from breaking the law.

IX. Consumers are unsure how to escalate complaints

A key problem appears to be a failure to progress complaints to the level necessary to achieve resolution detailed in legislation. Most respondents appeared to give up if the service provider failed to respond, or did not resolve their complaint satisfactorily. Satisfaction with the outcome of complaints to service providers was very low, yet only a fraction of respondents took their complaint further e.g. to the ECC, an ombudsman or relevant trade association.

*There is a need to **raise awareness about how to escalate complaints and which organisations can deal with complaints.** To raise awareness of the ECC as a first port of call to give advice on how to escalate complaints and achieve effective redress.*

X. Lack of official data on travel complaints

Our study showed that awareness of the ECC is low and that official data captures only a fraction of the total problems experienced by consumers.

Robust complaints data would help to inform EU policy, and increased awareness of the ECC advice service would help European consumers to understand and enforce their rights, getting the redress to which they are entitled.

Improve access to advice and complaints systems by:

- ***Raising awareness of the ECC*** so that people know that there is a one stop shop for seeking advice, and reporting complaints about cross-border issues.
- ***Improving the system of data collection by the ECC-Net*** so that more detailed information about complaints can be recorded. This will give European organisations the details they need to identify relevant and important issues and focus future work.

3. Conclusion – ANEC proposals and objectives

3.1 ANEC expectations from service standards

As expressed in previous position papers, ANEC believes the services sector is too important in terms of the safety, health and financial security of consumers for it to be left solely to voluntary standards or codes of conduct. Standards should thus not be seen as a replacement for legislation but, rather, as a complementary tool. ANEC calls for a horizontal legislative framework covering the safety, quality and liability of services to be developed². The framework could then be underpinned by formal voluntary standardisation.

Below we reaffirm what are the core elements we wish to see covered in consumer service standards, and the areas where the current research study suggests further work could make consumers more aware of their rights and how to enforce them.

3.1.1 Core consumer aspects to cover in consumer services standards

In its previous R&T services study published in 2007, ANEC aimed at defining core elements which are of considerable importance to consumers in the provision of any service, in order for consumers to benefit from service standards.

ANEC believes the following six elements should be systematically considered and addressed whenever a service standard is developed:

- **Core competences:** It is of utmost importance whether or not the service is executed by someone with the requisite skills, training, education and knowledge.
- **Equipment and premises:** This element should include not only safety (e.g. knowledge about the proper and safe use of any equipment), security and hygiene issues, but also the principle of accessibility.
- **Pre-contract and contract conclusion:** This element may be understood to encompass the accessibility of services, the freedom to contract, transparency, advice and information including marketing and advertising, as well as the form of contract conclusion.
- **Content of the contract:** This element is taken to include issues such as affordability, mandatory terms, quality/safety, billing and payment modalities, right of withdrawal/cancellation, compensation for improper information/incomplete performance, and liability for injury to person or damage to goods.
- **Post-contractual stage:** This element includes insolvency rules, after-sales services, cooling-off periods, dispute resolution, complaints handling, and collective redress.

² Such a frame should make use of the comitology procedure and be complemented by a stakeholder review process.

– **Monitoring and inspection:** Clear-cut rules for monitoring and inspection, including a constant learning process through the evaluation of customer satisfaction, should be systematically included in future standards.

3.1.2 Legislative environment

ANEC reaffirms its belief that, although standards can influence legal interpretation of e.g. consumer contracts, standards should not and cannot replace legislation. We nevertheless highlight the need for increased awareness in the Standards Bodies and their technical committees about legal aspects relevant to the work at hand. Regrettably, there is currently little connection between service regulation³ and service standards. We thus believe that increased cooperation should take place between ANEC and BEUC⁴, among the various technical committees, and between the technical committees and the European Commission. Such cooperation would help ensure that service standards reflect the regulatory environment.

3.2 ANEC intents deriving from its research findings

This new research project carried out by ANEC confirms the key areas already identified should be addressed by standards and gives further impulse to ANEC's involvement in service standardisation at European level.

In its work in standardisation related to consumer services, ANEC will investigate whether standardisation activities can help find solutions in the area of car rentals, which has been shown as the most problematic for consumers travelling in Europe. Elsewhere, ANEC is also interested in whether other organisations are in place for achieving improvements at the legislative level, especially considering that unless the Package Travel Directive covers service contracts when sold in the package, any conflict for a single service would need to be resolved individually through national rules.

By liaising with its sister organisation, BEUC, ANEC will keep a watching brief on the content of the revised Package Travel Directive and ensure that changes regarding liability are clearly communicated to consumers.

ANEC will open the discussion in the European Standards Organisations on whether a standard covering 'pre-contractual information' could give more detailed guidance to underpin existing legislation.

ANEC will also consider becoming involved in the development of the international standard on review sites, recently proposed by ISO, to ensure that key consumer issues identified in the study are taken into account.

³ As noted in the 2007 ANEC study, the regulatory environment consists not only of European laws as such, but also of international private law rules and international conventions (e.g. in the field of air transport).

⁴ BEUC, the European Consumers' Organisation, www.beuc.eu

In light of the low satisfaction with complaints handling, ANEC wishes to continue raising awareness of the benefits of good complaints resolution and promoting the awareness of 'ISO 10002: 2004 - Customer Satisfaction: Complaints Handling' to increase its use.

Other areas we will need to explore are awareness of consumer rights and of complaints procedures.

When it comes to other cross-border services, our survey showed that two of the most commonly-used services are shopping online and financial services. Possible future surveys could be carried out to examine consumer experiences in these areas.

Acknowledgements

ANEC thanks Julie Hunter, author of the ANEC research study 'European cross-border travel and tourism - Learning from consumer experiences and complaints' published in January 2014, and the national consumer organisations who promoted the underlying survey: Cyprus Consumers' Association; Czech Association of Consumers TEST, Taenk/Forbrugerradet (Danish Consumer Council), Stiftung Warentest (Germany), NEW INKA Consumers Association and EKPIZO in Greece, the Slovenian association Zveza Potrošnikov Slovenije (ZPS) and Which? in United Kingdom.

About ANEC

ANEC is the European consumer voice in standardisation, defending consumer interests in the processes of technical standardisation and conformity assessment, as well as related legislation and public policies.

ANEC was established in 1995 as an international non-profit association under Belgian law and is open to the representation of national consumer organisations in 33 countries.

ANEC is funded by the European Union and EFTA, with national consumer organisations contributing in kind. Its Secretariat is based in Brussels.



Raising standards for consumers

**European association for the coordination
of consumer representation in standardisation aisbl**
Avenue de Tervuren 32, box 27, B-1040 Brussels, Belgium
Tel.: +32 2 743 24 70 / Fax: +32 2 706 54 30
E-mail: anec@anec.eu
EC Register of Interest Representatives:
Identification number 507800799-30
www.anec.eu
<http://companies.to/anec/>



ANEC is supported financially by the European Union & EFTA

This document may be quoted and reproduced, provided the source is given.

This document is available in English upon request from the ANEC Secretariat or from the ANEC website at www.anec.eu

© Copyright ANEC 2014