

**VERÓNICA PACHECO-SANFUENTES**  
**TRAVEL AGENCY COMMISSIONER, AREA ONE**  
(The Americas and the Caribbean)  
# 110 – 3083 West 4<sup>th</sup> Avenue,  
Vancouver, British Columbia V6K 1R5  
CANADA

---

**DECISION 2011 - # 5**

**In the matter of:**

**Longitude Travel Services Ltd.**

IATA Code: 98900115

Landmark Square Suite 2E SMB

Grand Cayman KY 1-1208

Cayman Islands

Represented by its Managing Director, Ms. Patrizia Amante

**The Applicant**

vs.

**British Airways**

Revenue Management

Waterside, HAB1 England

Represented by its Manager Product Delivery,

Mr. Jerry Foran

**The Respondent**

---

**I. The Case**

The Applicant (also called herein after as “the Agent” or “LTS”), sought a Travel Agency Commissioner’s (referred to herein after as “TAC”) review of the action taken by the Respondent (also referred to as “British Airways” or simply “BA”), on August 4<sup>th</sup>, 2011, of withdrawing its electronic ticketing authority from the Agent without any written notification.

---

Telephone: + 1 (604) 742 9854  
Fax: + 1 (604) 742 9953  
E-mail: Area1@tacommissioner.com  
Website: travel-agency-commissioner.aero

## II. Background - Chronology of events

On August 5<sup>th</sup>, this Office received the Applicant's request for review of BA's decision. According to the Agent's exposure of the facts, not contradicted by the Respondent, the chronology of events was as follows:

On July 29<sup>th</sup>, the Applicant received an email from BA's Commercial Manager Caribbean, stating that an audit had highlighted that some Passenger Name Record ("PNR") were ticketed on a validating carrier, other than BA for a complete BA journey.

That same date, the Applicant contacted a BA's Deputy District Manager in Jamaica and was advised to rebook the PNRs in question <<as they were all cancelled by BA even if they were ticketed>>. The Applicant sustained that when asked about what the procedure would be considering that the tickets were issued on Air Canada ticket stock and therefore they couldn't be re-issued by BA, <<the BA Deputy advised that they would call back with further instructions, but no other instructions were conveyed after this initial call>>.

Supposedly following the given instructions, the Applicant rebooked the PNRs and on August 1<sup>st</sup>, without any notification, BA cancelled again all the same bookings and inhibited LTS reservation system –Sabre- to see any availability on BA's direct or indirect access.

After many attempts, through telephone calls and emails between July 29<sup>th</sup> and August 2<sup>nd</sup>, finally the Applicant was able to reach BA's District Manager Bahamas and Cayman Islands and was told that the <<reason why LTS was inhibited from seeing any BA availability was because LTS rebooked all the clients in the same PNR>>, which according to the Agent's argument, were the initial instructions given to it by BA's Deputy District Manager the 29<sup>th</sup> of July. The Applicant was also informed then, that BA was not responsible for those tickets, because the validating carrier had been Air Canada instead of BA.

Followed by several attempts from the Applicant to get in contact with BA representatives aiming to solve the situation, on August 3<sup>rd</sup> the Applicant received an email from BA Commercial Manager Caribbean, informing it that the investigation was still ongoing and that the Applicant was going to be notified as how to proceed once they've received further instructions from BA's head office.

On August 4<sup>th</sup>, the Applicant was informed by telephone and with out any prior written notice, about BA's decision to withdraw its <<Carrier Identification Plate authorization, and thus its Electronic Ticketing Authority>>, stating that the Applicant had acted in bad faith by its method of designating an alternative ticketing airline.

The next day, August 5<sup>th</sup>, the Agent sought a TAC review and sent some evidence. At the request of the undersigned, by August 10<sup>th</sup> the Applicant provided additional supporting information. On August 12<sup>th</sup> the undersigned granted the review and allowed the procedure, immediately notifying BA about the TAC procedure, and, conferring it a time

frame to present its submissions and supporting documents. The 19<sup>th</sup> of August the undersigned, facing a total lack of response from BA, had a telephone conversation with one of its representatives and allowed an extension of the said time frame before writing her final decision based only on the Applicant's evidence. By the end of the second time frame conferred to the Respondent, it finally sent its written submissions (no evidence was sent), being the 28<sup>th</sup> of August.

### **III. Authority for Review**

Resolution 820e determines the scope of the TAC's review proceedings, and as so provides for Accredited Agents, for the Agency Administrator, for a group of Member Airlines and for the Agency Services Manager to seek review by the Commissioner in circumstances described therein. In this case, the most pertinent Paragraph as seen from the Applicant's perspective is 1.1.8 which states as follows:

<<**1.1.8** an Agent who considers that its commercial survival is threatened by a Member's individual decision preventing it from acting as Agent for, or from issuing Traffic Documents on behalf of, such Member>>.

Having received the Request for Review within the time frame limit, as indicated above, pursuant Paragraph 1.2.2.1 of Resolution 820e, the undersigned decided to allow the proceeding in compliance with Paragraph 1.2.3 of the said rule.

### **IV. The Applicant's Arguments in Summary**

The Respondent's decision was not only taken without any prior written notice but gave no chance whatsoever to the Agent to amend the situation, despite its several requests for a "second chance" and its willingness "to do anything to restore the faith of BA".

During all this period and notwithstanding several attempts made by the Applicant, most of its questions and concerns were left mainly unanswered (evidence was provided of various correspondences with BA representatives in the Cayman Islands during late July-early August 2011).

The Applicant argues that it has been doing the practice of booking BA tickets by specifying to SABRE (the ticketing system) the selection of Air Canada as the validating carrier in order to be competitive in its market, since it's a common practice among its competitors. However, in its discharge the Applicant points out that prior to do this activity it had contacted Air Canada Reservations/Ticketing Supervisor (and provided evidence of these electronic conversations) in order to discuss ticketing guidelines to ensure its compliance with the <<fare rules for the specific routings that were to be validated on Air Canada>>. It argues that this practice was also validated by SABRE, who did not display or warn of any ticketing violations or restrictions applicable to Air Canada once auto pricing functionality was used.

The Agent claims that its commercial survival is been threatened by BA's decision because they have a fairly big "BA clientele" that rather use BA as their carrier than any other airline, since BA is the only European carrier that has direct flights to the island.

The Agent had 9 specific PNRs cancelled by BA that were already ticketed on Air Canada validating plates. The Applicant considers that it has been <<isolated and prejudiced as a result>> of BA's decision; further more, it considers that it has been somehow targeted since there are a number of travel agencies in the Cayman Islands that use similar methods in order to find more affordable tickets for their clients and be competitive in the market.

Finally, the Applicant states that <<any action within the scope of a valid Interline Agreement with the Validating Carrier and the subsequent authorization by such carrier to validate the tickets on their plates is therefore not in bad faith. Whereas BA considers otherwise, its dispute must –be- with the Validating Carrier and not with LTS>>.

## **V. The Respondent's Arguments in Summary**

The Respondent's decision was based on the fact that the Agent had issued tickets on Air Canada's ("AC") stock, where AC played no part on the itinerary, depriving BA to receive the revenue that it was entitled to. This is perceived as acting in bad faith and therefore BA can not trust the Agent any longer.

From the Respondent's point of view the Agents' actions were deliberate and fraudulent; the AC staff member from where the Agent received advice was a junior employee and BA <<has passed the detail of this issue to AC's Head Office>>.

By acting the way the Applicant did, the Respondent considers that it had <<breached the trust that exists between airlines and agents>>.

The Respondent points out that the Applicant never communicated with BA in regards to this practice, before it being identified by BA. It only communicated with the GDS and other carriers.

IATA Resolutions do not allow <<to undercut the price quoted by the fair owning carrier>>, unless an Alliance had been in place or the Agent was acting as a GSA.

The passengers that were booked by the Agent were totally <<unaware that they were holding AC tickets and were distressed when BA advised it was unable to assist them. The action of the Agent put BA in a negative light through no fault of its own>>.

Therefore, the Respondent considers that its action against the Agent is fully justified and was taken to protect itself from <<fraudulent activities of one of its agents>>.

## VI. Considerations leading to conclusion

The case for review consist in whether or not the Respondent, a BSP Member Airline, had follow correct procedure when decided to withdraw its ticketing authority from the Applicant, an IATA Accredited Agent.

### (A) Applicable Rules

It is understood by both parties that: (i) pursuant Resolution 818g, Paragraph 3.5.1 and 4.1.1.1, it is the right of every BSP Airline to remove its ticketing authority from any Accredited Agent, not been object of a TAC review the motifs at the origin of the BSP Airline 's decision; and, (ii) that Resolution 820e does not give any power to the Travel Agency Commissioner to review nor allow any damage claims, hence the parties would have to go to local Courts in order to get any damage compensation that might have arose from their commercial relationship.

Considering the facts, documents and arguments that have been exposed by both parties, the undersigned deems that the applicable IATA Resolution in this case is Resolution 818g, with particular emphasis in Section 3.5 and Section 4.1.5. The first of which determines the right of the BSP Airline to withdraw the ticketing capacity from an Accredited Agent and the way of doing it; and the second one establishes the procedure that needs to be followed by the BSP Airline when adopting such decision. Both of them state as follows:

#### <<**3.5 Termination of Individual Appointment**

**3.5.1.** *any Member* having appointed an Accredited Agent to act for it may cancel such appointment in respect of the Agent or any Location of the Agent:

**3.5.1.1.** in the case of appointment by general concurrence, by so notifying the Agent *in writing*, with copy to the Agency Administrator;

**3.5.1.2** in other cases, by delivering to the Agent a notice of termination cancelling the Certificate of Appointment.

#### **4.1.5 Review of a BSP Airline's Individual**

**4.1.5.1** notwithstanding the provisions of Paragraph 4.1.1 of this Section and of Paragraphs 3.4 and 3.5 of Section 3 of these Rules, an Agent which considers itself aggrieved by the decision of a BSP Airline:

**4.1.5.1(a)** ...

**4.1.5.1(b)** to withdraw its appointment of such Agent, or

**4.1.5.2.** with the result that such Agent's commercial interests are adversely affected to the point of placing its business in jeopardy, shall have the right to obtain such BSP Airline's criteria for appointing Agents or reasons for refusal, withdrawal or removal. If the Agent believes such justification is unreasonable then the Agent shall in the first instance seek clarification and satisfaction from the BSP Airline. If the issue is not

thereby resolved, then the Agent shall have the right to have the BSP Airline's decision reviewed by the Travel Agency Commissioner pursuant to Resolution 820e...>> (the undersigned emphasis)

Bearing those two Sections in mind, it is clear that:

(i) once a BSP Airline has decided to remove its ticketing authority from an Accredited Agent, it has to notify such Agent in writing of its decision, whether it was appointed by general concurrence or appointed in any other case; and,

(ii) the Agent, on the other end, has the right to obtain from the BSP Airline the reasons for that removal. Furthermore, pursuant to the cited Resolution, if the Agent deems unreasonable the justification received from the BSP Airline, it has the right to seek clarification and satisfaction from the Airline, as a first step; and then, if the issue is still not resolved, the Agent can seek a TAC review of the said decision.

(B) Facts of the case

According to the evidence in file, not contradicted by any party, the Applicant seems to have been notified over a telephone conversation about the Respondent's decision of removing its electronic ticketing authority from the Agent.

Therefore, since no written notice has been given to the Applicant, no review of the BSP Airline's individual decision, as described in Section 4.1.5 of Resolution 818g, has taken place, in the Agent's detriment. The Applicant has not been allowed to properly and timely communicate with the Respondent in order to solve the situation as indicated in Resolution 818g, Paragraph "General Principles of Review" (located at the very beginning of the said Rule).

**VII. Decision**

Having carefully reviewed all the evidence and arguments submitted by the parties in connection with this case,

Having looked at the applicable Resolutions,

This Commissioner decides:

(i) that the Respondent, British Airways, a BSP Member Airline, did not comply with IATA applicable Resolution 818g, Section 3.5, when decided to withdraw its electronic ticketing capacity from the Applicant, since it did not notify the Agent, in writing, about its decision;

Therefore,

(ii) The procedure that would allow the Agent to review the BSP Airline's individual decision, as described in Section 4.1.5 of Resolution 818g, had not taken place.

Per Resolution 820e, Section 4, both parties have the right, if considered aggrieved by this decision, to seek review by Arbitration, in accordance with the provisions of Resolution 818g, Section 12.

Decided in the city of Vancouver, Canada, the 21<sup>st</sup> day of September, 2011

***Verónica Pacheco-Sanfuentes***  
Travel Agency Commissioner Area 1  
Acting as Deputy TAC2

Note: The original signed version of this decision will be sent to the parties by regular mail. In the mean time, in order to ensure timely receipt by the parties, an electronic version of it is sent on September 21<sup>st</sup>, 2011.