

DECISION 2013 – 03 - 07
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road,
Remuera, Auckland 1050,
New Zealand

Applicant:

Agency Administrator, Geneva
International Air Transport Association, IATA,
Represented by Ms Hwa Ooi Tham, Manager, Agency Management Asia/Pacific
IATA, Singapore.

Respondent:

Ms Sally Sutton,
Proprietor,
United Travel St Heliers Ltd,
10 St Heliers Bay Road,
St Heliers, Auckland,
New Zealand.

The Case and Decision:

In brief, by a 22 February 2013 letter the Agency Administrator (IATA SIN) sought a review of the Agent's IATA accreditation under Section 1.8 of Resolution 832 - Prejudiced Collection of Funds - as a result of it no longer holding a form of financial guarantee having been removed from the TAANZ/IATA Agreement scheme for failing to add equity to the company. As required, suspension from the BSP was invoked and the issuance of 2 Instances of Irregularity was imposed.

This followed 2 Instances of Irregularity issued on 17 January 2013 and as a consequence the Agent was declared in default having accumulated 4 Instances of Irregularity within a 12 month period. Termination of the Agent's IATA accreditation would occur on 31 March 2013 but would not take effect if prior to that date a satisfactory financial coverage review was achieved and all outstanding amounts settled.

The TAANZ Bonding Authority who monitors the financial health of its members has given the Agent until 15 April 2013 to comply with the increased equity requirement. An update on progress is expected by 15 March 2013.

The Agent advises that it is pursuing the increase in equity with a new bank with urgency. There has been some delay due to an issue with the valuation of the property being used as security but this will be rectified within the next couple of weeks.

As provided for in sub paragraph 2.3 of Resolution 820e both parties have agreed to

waive their right to an oral hearing and have allowed the writer to reach a decision based on the written information submitted. Settlement of airline moneys has been made except for the period 18-24 February 2013 which is due on 13 March 2013.

Therefore having considered the factors involved in this case it is hereby decided as follows:-

1. Subject to settling all outstanding airline monies prior to 31 March 2013 the Agent remains suspended until 15 April 2013 or such earlier date when the increased equity requirement has been satisfied and the Agent has been re-admitted to the TAANZ/IATA Agreement scheme or has provided such other financial security which meets the accreditation criteria for New Zealand.
2. Once the Agent has been re-admitted to the TAANZ/IATA Agreement scheme or has provided such other financial security which meets the accreditation criteria for New Zealand in the time frame detailed in 1. above and formal notification to that effect has been received by IATA then the Agent's ticketing authority is to be re-instated.

Decided this 7th day of March 2013 in Auckland.

Jorgen Foged
Travel Agency Commissioner Area 3

Notes:

1. As per Resolution 820e, Section 4, any Party has the right, if it considers itself aggrieved by this Decision, to seek review by Arbitration in accordance with the provisions of Resolution 824, Section 14.
2. The Parties are advised that effective from 1 June 2012, according to Subparagraph 2.10 of Resolution 820e, any of them may request an interpretation of this Decision, or for a correction of any error in computation, any clerical or typographical error, or any omission in this Decision. Such request must be made within 15 days of receipt of the electronic version of this Decision.