

**DECISION 2014 – 08 – 28**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road  
Remuera, Auckland 1050  
New Zealand

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**Applicant:**

Creative Tours and Travel (India) Pvt Ltd  
No 3, Fl 1 Kapadia Chambers  
Near Metro Cinema  
1-1C Cinema Road  
Mumbai 400020  
India  
Represented by Mr. Abdul Karim, Managing Director

**Respondent:**

Agency Administrator, Geneva  
International Air Transport Association, IATA  
Represented by Ms Nadya Widjaja, Manager Agency Management Asia/Pacific,  
IATA, Singapore.

**The Case and Decision:**

The Agent was issued with a Notice of Irregularity (NoI) due to a cheque from a Branch Office forming part of its BSP settlement being declared invalid as it had not been signed. The amount involved was INR 1,136,116 (USD 18,791.00) out of a total settlement of INR 113,535,726 (USD 1,869,190.00).

On being alerted to the shortfall by IATA on 25 July 2014, 3 days after the settlement date, the Agent took immediate action and arranged for a NEFT transfer of the missing amount the same day. Unfortunately this sum could not be included in the 1st batch settlement to Airlines and was disbursed in the 2nd batch.

The Agent sought to have the NoI removed using the "Bona Fide Bank Error" provisions detailed in sub paragraph 1.7.4 of Attachment "A" to Resolution 818g. Despite motivating its Bank to send 3 letters to IATA related to the incident none of them complied with the information required of sub paragraph 1.7.4.3 of Attachment "A" to Resolution 818g as clearly the error was that of the Agent and hence the NoI remained. The letters did however confirm the fact that there were sufficient funds in the Agent's account to cover the settlement.

As required by sub paragraph 2.3 of Resolution 820e both Parties were placed on notice that in the writer's judgment an oral hearing was not necessary and that a decision would be based on the written information submitted.

In considering this matter it is clear that the Agent was the cause of the error and under the Rules IATA had no choice but to issue a NoI. However, the fact that the Agent was very concerned about its standing with IATA and on being alerted to the problem took immediate steps to rectify the situation stands in its favour. The lesson learned from this experience must surely introduce in-house procedures to prevent the same situation occurring again.

Based on the foregoing therefore it is hereby decided as follows:-

1. The Notice of Irregularity is to be replaced by a Reprimand as detailed in sub paragraph 13.4.3 of Resolution 818g.

Decided this 28<sup>th</sup> day of August 2014 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, 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.