

DECISION 2015-03-21
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road
Remuera, Auckland 1050
New Zealand

Applicant:

Eljohn NSW Pty Ltd t.a Helloworld
Shop 8, AMP Plaza Level
50 Bridge Street
Sydney NSW2000
Australia
Represented by Mr. Yohan Siva, Owner/Principal

Respondent:

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

The Case and Decision

The Agent was declared in default as a consequence of having had 4 Instances of Irregularity (NoI) issued against it within a 12-month period. As its ticketing authority had been withdrawn by IATA, the Agent contacted this Office on 12 March 2015 with a request for interlocutory relief. As IATA did not object to the granting of same an order for such relief was issued by the writer on the same day to be operative while the matter was under review.

The Agent stated that it operated two IATA accredited franchise locations under the Helloworld brand, one in Circular Quay Sydney and the other in Dapto NSW. The Circular Quay location issued tickets on behalf of both locations and was the only office set up with BSPlink and a direct debit facility.

An ADM for AUD59.84 was issued on 29 January 2015 against the Dapto agency, an event the Agent was not aware of until an NoI was received on 4 March 2015. It was settled on 5 March 2015.

A second ADM issued against the Dapto location for AUD48.00 generated the second NoI and despite settling on 11 March 2015 the payment missed the BSP settlement date and default action followed.

The Agent stated that the first ADM involved a PNR created by the Dapto office, which used a fictitious name, and, the second ADM from the same location involved "churning" viz re-booking to maintain a time limit. The Agent had now set up a separate BSPlink account and opened a dedicated direct debit account for the Dapto office and hence ADMs directed to that Agency will be identified prior to the BSP settlement date.

The Agent went on to state that it had a turnover in excess of AUD3m per annum averaging AUD60k per week. It had an unblemished record over its 12 year business history and the default event had "caused panic among our suppliers."

As required by sub paragraph 1.2.2.1 of Resolution 820e the Agent sought a review within the 30 day time frame enshrined therein and as provided for in sub paragraph 2.3 of the same Resolution the Parties were placed on notice that in the writer's judgement an oral hearing was not necessary and that the decision would be based on the written information submitted.

In considering this matter the writer supports the action taken by IATA, which was in accord with the Passenger Sales Agency Rules. The Agent's shortcoming in not having BSPlink and direct debit facilities at Dapto, together with the questionable CRS procedure behaviour, led to the potentially serious business interruption experienced. The ADM identification issue has now been rectified and hopefully lessons learned on other matters.

The writer considers it unreasonable that ticketing authority should be withdrawn permanently on the grounds of an AUD48.00 BSP short payment, which was promptly settled once highlighted. IATA's action in accord with the Rules is recognized, however, in order for the Agent to return to its normal ticketing/settlement procedures it is hereby decided as follows:-

1. The second Notice of Irregularity issued on 11 March 2015 is to be expunged.

N B - the Agent should take special note of the fact that another NOI issued within 12 months of the 4th of March 2015 will see it declared in default once again

Decided this 21st day of March 2015 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.