

**DECISION 2015-05-19A**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road  
Remuera, Auckland 1050  
New Zealand

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**Applicant:**

Udayam Air Travels (P) Ltd.  
4141, Kuthoos Building  
East Main Street  
Pudukkottai, Tamilnadu  
India  
Represented by Mr. K. R. Babu, Manager

**Respondent:**

Agency Administrator, International Air Transport Association, IATA  
Geneva, Switzerland  
Represented by Mr. Rodney D'Cruz, Manager Agency Management Asia/Pacific,  
IATA, Singapore.

**The Case and Decision.**

The Agent was issued with a Notice of Irregularity (NoI) on 12 May 2015 as a consequence of not paying the BSP billing due for settlement on 7 May 2015. The cause of this non-payment was that the Agent had inadvertently omitted to sign the cheque. It had, however, attempted to have its bank honor the cheque on 8 May 2015, which was a Saturday. The Bank recorded in a letter to the Agent dated 11 May 2015 that it was unable to do so but confirmed that a line of credit to the amount of INR2m was available. On being alerted to that situation the Agent organised an electronic transfer of the required funds to IATA's bank account the same day.

The Agent was "much troubled mentally for the NoI", had a clear payment record for the last 10 years and had taken steps to have future BSP settlements made by direct debit. It sought that the human error be forgiven and the NoI be removed from its record.

In its summary of events IATA confirmed the Agent's description of what had happened but as the cause of the NoI issuance could not be classified as being a bank error as defined in Resolution 818g it had no authority to waive the NoI. Even though the Agent's funds arrived in the Hinge account before the first settlement date with Airlines, 12 May 2015, "because of the challenge of reconciling credits the same day" the settlement was delayed to 13 May 2015.

In considering this matter the writer has taken encouragement from the Agent's prompt action in settling the outstanding amount once the human error issue was known to it. The fact that IATA's workload did not allow settlement to the Airlines to be made on the 12<sup>th</sup> is unfortunate but that is an event beyond the control of the Agent. The change to a direct debit process for future BSP settlements is a reflection of the Agent's intention to avoid a repeat of the matter under consideration.

The Agent has complied with the 30 day time frame to seek a review as provided for in sub-paragraph 1.2.2.1 of Resolution 820e and the Parties have been placed on notice that the writer has decided to base his decision on the written information submitted rather than to have an oral hearing as allowed in sub-paragraph 2.3 of the same Resolution.

In light of the Agent's positive steps to rectify its omission in not signing the BSP settlement cheque and the fact that a re-occurrence should not occur now that a direct debit process is in place, it is hereby decided as follows:

1. The Notice of Irregularity issued on 12 May 2015 in connection with this incident is to be expunged from the Agent's record.

Decided this 19<sup>th</sup> day of May 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.