

**DECISION 2016-06-10**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

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

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**Applicant:**

Behlum Express Hajj and Umrah Co (Pvt) Ltd,  
Near City Iron Trading Vishan Nagar,  
Phulleli Rd,  
Pakistani Chowk,  
Hyderabad,  
Pakistan.  
Represented by Mr Muhammad Nasir Behlum, Director.

**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 by IATA having received 2 Notices of Irregularity (NOI) within a 12 month period. These related to two settlement dates i. e. 2 May 2016 and 16 May 2016. In its submission the Agent stated that in connection with the 2 May 2016 settlement the Bank did not transfer the funds to Deutsche Bank (DB) , IATA's Clearing Bank, until 3 May 2016. The Agent sought withdrawal of the NOI from IATA however IATA required a letter from the Agent's Bank in conformity with section 1.7.4 of Attch A to Resolution 818g " Bone Fide Bank Error ".

On seeking a written admission of error from its Bank the Agent was verbally advised by the Manager that the Bank's system was down and hence the funds transfer was delayed. The Bank Manager refused to confirm his verbal advice in writing fearing that such written admission of error might jeopardise the Bank's reputation in the market place. The Agent provided evidence of the fact that there were funds in excess of the BSP billing amount in its account on the settlement date.

With regard to the 16 May 2016 settlement the Agent stated that there were more funds in its bank account than was required to settle the BSP billing and provided evidence of same. The Agent was advised by its Bank that the funds were transferred to DB at 1536 hrs on 16 May 2016 but despite informing IATA of same the NOI was not withdrawn. IATA advised that DB did not receive value until 17 May 2016.

In its response to the Agent's description of events IATA made the following statement:-

" For payment through the Al Habib bank, agent should have used the mode of courier company in which scenario the customized deposit slip will be used and funds will be transferred the same day. Any direct deposit to the Al Habib bank will be executed only on the next day. Despite the fact that their account is debited on 2 May and 16 May, we receive the agent's payment only on the following day due to this payment mode used by Agent. Agent should have respected the available payment arrangement which has been in place all the while to ensure fund is received in IATA Hinge account on the remittance date. Should they wish to do direct deposit to Al Habib, they should have done it in advance so that their deposit will make it in time to be credited on remittance date. "

In an elaboration on that process IATA stated the following:-

" If agent had used the customized BAML deposit slip, their payment will be included in the MIS report from BAML to DB and DB will include it in the payment report to IATA on the same day.

Because agent deposits the cheque using normal deposit slip then BAML is unable to provide the required information to DB then it's processed as general payment. DB receive the funds on next working day with no such information. They have to identify by their own to which agent it pertains and further credited to IATA account accordingly on 17 May.

As explained earlier, despite the fact of when the fund is debited from the agent's account, there is a banking process that needs to be respected, which in this case is related to the customized BAML deposit slip. "

In considering the factors in this case I have decided to grant the Agent relief on the first NOI as refusal by a bank to admit error is common and as a consequence the Agent is not able to provide written evidence of bank error in the very specific format described in section 1.7.4 of Attch A to Resolution 818g.

With regard to both settlement issues it would be prudent for the Agent to take notice of the recommended settlement process detailed by IATA in order to avoid future occurrences of this nature.

The Agent has complied with sub paragraph 1.2.2.1 of Resolution 820e and has lodged its request for a review within the 30 day time frame allowed and both parties were alerted, as required by sub paragraph 2.3 of the same Resolution, that in the writer's judgement an oral hearing is not necessary and that the decision would be based on the written information submitted.

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

1. The Notice of Irregularity issued in connection with the 2 May 2016 settlement is hereby expunged.

2. As a consequence the Agent is no longer in default and must have its ticketing authority reinstated in full.

Decided this 10th day of June 2016 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.