

DECISION 2017-04-07
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road
Remuera, Auckland 1050
New Zealand

Applicant:

H.A. International Travels
Mingora Swat
Pakistan.
Represented by Mr. Muhammad Hayat, Managing 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 issued with a Notice of Irregularity (NOI) as its payment to the BSP was not effected on 31 March 2017. As this was the second NOI within a 12 month period the Agent was declared in default.

In its submission requesting a review of IATA's action the Agent stated that it had made the manual payment to the Bank on 31 March 2017 and provided a facsimile of the deposit slip as evidence. As a consequence of IATA circulating to Airlines that the Agency had defaulted the Agent stated "we have lost our reputation, good will and most important, trust of our valuable clients."

In response to the writer's request for comment IATA advised that the payment had not been made until 5 p.m. on the 31st which was after the 3.30 p.m. cut off time required for settlement with the BSP. This detail was in the information kit provided to Agents. Since the billing was out on 17 March 2017 the Agent had ample time to arrange payment prior to the cut-off deadline. Payment had not been received in IATA's account until 3 April 2017.

IATA went on to state that in its contact with the Agent the latter had reported that its staff member was in the Bank at 3.30pm, but was delayed due to a long queue. The Agent retorted with the remark that if the Bank had not transferred the funds on time then that was not the Agent's fault.

The Agent appealed that the NOI be cancelled and its ticketing authority be reinstated as it had complied with IATA's requirement.

In reviewing this case it is obvious that the Agent ignored the cut-off time information provided by IATA and has attempted to defend its position by submitting evidence that it made payment on 31 March 2017. The fact that it was made after 3:30pm, and that IATA did not receive value until 3 April 2017, was not given any importance.

That self-righteous attitude is not helpful; however, the writer has decided to grant the Agent an opportunity to redeem itself. IATA has acted in complete conformity with the Passenger Sales Agency Rules; however, on the assumption that the Agent has learned a lesson from this experience, it is hereby decided as follows:-

1. The Notice of Irregularity issued in connection with the 31 March 2017 late payment is to be expunged.
2. The Agent is to pay any fees and charges associated with the reinstatement of its ticketing authority.

Decided this 7th day of April 2017 in Auckland.

Jorgen Foged
Travel Agency Commissioner Area 3

Notes:

1. 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.
2. If after having asked for and obtained clarification or correction, any Party still considers aggrieved by this decision, the Party has the right to seek review by arbitration, in accordance with the provisions of Resolution 820e Section 4 and Resolution 824 Section 14.