

**DECISION 2017-04-10**  
**TRAVEL AGENCY COMMISSIONER – AREA 3**

Jo Foged  
685 Remuera Road  
Remuera, Auckland 1050  
New Zealand

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**Applicant:**

Poto Travel and Tours Sdn Bhd.  
Kuala Lumpur  
Malaysia.  
Represented by Ab. Rahman Mohd Ali, CEO and 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) for a short payment of MYR 256,198.16 (USD 57,858.00). IATA and the Agent had reached an agreement that due to the Agent's financial security being insufficient in connection with a billing for 2 of its locations the Agent would pay in 2 installments, one on 2 March 2017 and the other on 8 March 2017.

IATA states that it explained to the Agent that a direct debit would not occur and the remaining payment would have to be made through a bank transfer or cash deposit. IATA highlights a 9 March 2017 message from the Agent, which states in part: "there seems to be miscommunication and misunderstanding on the settlement mode of payment of this amount."

The Agent in its request for review stated that "we did not make any payment for our Putrajaya branch for amount MYR 256,198.16 as there is a standing instruction for a direct debit through FPX service." On querying why no debit had been made against its account, prompt steps were taken to rectify the shortcoming.

The writer was in two minds as to how to rule on this matter. The Agent, by its own admission, post the shortfall discovery, acknowledged the "misunderstanding" with regard to the mode of payment and, hence, the NOI should stand as IATA acted in compliance with the Passenger Sales Agency Rules. However, there are some situations where "left hand/right hand " issues occur and the right message does not get through to the correct entity within the Agency and mistakes occur. In its

comprehensive submission to this Office the Agent demonstrated its desire to have no negative marks recorded against it and it was never the case that the funds were not available and ready for paying to IATA.

In deciding in the manner detailed herein it is expected that the Agency will take steps to ensure that this kind of issue will not arise again as the same benign attitude will not be demonstrated by this Office.

The Parties have complied with the terms and conditions of Resolution 820e in connection with this review.

Therefore, based on the foregoing it is hereby decided as follows:-

1. The NOI issued against the Agent is to be expunged.
2. The Agent is to pay any reasonable administrative costs imposed by IATA.

Decided this 10<sup>th</sup> 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.