

Decision 38/2018

Travel Agency Commissioner - Area 2

Andreas Körösi
P.O. Box 5245
S-102 45 Stockholm, Sweden

Applicant: Sofigyn Travel
IATA Code # 77-2 1790
South Africa

Respondent: International Air Transport Association (IATA)
Torre Europa
Paseo de la Castellana, número 95
28046 Madrid, Spain

NOTE:

This summarized decision is being posted as the Parties have received it. Occasional requests for clarification are not posted. However, should any Stakeholder requests it, a copy of such clarification will be sent to her/him.

Background

On the 14th of August *Sofigyn Travel* was suspended due to "Risk for Prejudiced Collection of Funds". The Notice did not explain the reason that made IATA suspect the risk. This was eventually explained the day after the suspension. The reason for IATA's risks assessment was an unusual increase in the Agent's sales within a short time-span.

Sofigyn Travel, not being aware that "an exceptional increase in sales" can lead to suspension **paid the requested amount** within 24 hours.

IATA had, as a result of this "event" also requested additional Financial Security to cover future sales at risk. Even though *Sofigyn* did question the rationality behind the increase, IATA's request was confirmed by this Office.

Today *Sofigyn Travel* asked both IATA and this Office to reconsider or at least states that IATA: "*should not block our refund and change tickets business witch the ticket already been booked by us. This will lose our business and lose customers or IATA can help us issues a letter to address the airlines to help for that*".

Considerations and Decision

According to my judgement, as allowed in Resolution 820e § 2.3, I do not see the need for an Oral Hearing. Should any of the Parties be of another opinion then please feel free to object and submit the arguments to support its request.

Suspension is very detrimental to Agents and since the temporary **suspension was due to a suspected risk and NOT due to actual non-payment, contrary to** what IATA - SOP seemingly states, it is the Commissioners' view that Agents have to be immediately reinstated and permitted "the 30 days allowed" to all Agents to submit additional Financial Security ("FS"), as per Resolution's mandate.

Having stated the above, **and considering the extensive explanation** provided by IATA, dated 25th of August, as per why *Sofigyn* should remain suspended until the additional FS is provided, it is hereby decided that:

- The **suspension shall stand until** the Bank or Insurance provider confirms that the additional FS has been granted.
- IATA without delay informs the Agent of the level of FS requested if the Agent voluntarily moves to weekly Remittance.
- The suspension **must be lifted immediately** after IATA has received a soft copy of the FS, and the communication from the Agent's Bank confirming in writing such issuance; **and,**
- Since this is not a "non-payment" suspension all ticketing authorities have to be granted back as they were prior to suspension.
- IATA is to assist *Sofigyn* with a letter "clearly explaining" that the reason for suspension was not due to default in payment.

This Decision is effective as of today.

Decided in Stockholm, on September 6, 2018

Andreas Körösi
Travel Agency Commissioner
IATA-Area 2

In accordance with Resolution 820e § 2.10 any Party may ask for an interpretation or correction of any error in computation, any clerical or typographical error, or any error or omission of a similar nature which the Party may find relevant to this decision. The time frame for these types of requests will

be maximum 15 calendar days after receipt of this decision. Meaning as soon as possible and **not later than 21 September 2018**.

Please also be advised that, unless I receive written notice from either one of you **before** the above mentioned date this decision will be published in the Travel Agency Commissioner's secure web site, provided no requests for clarification, interpretation or corrections have been granted by this Commissioner, in which case the final decision will be posted right after that.

Please note that if after having asked for and obtained clarification or correction any Party still considers aggrieved by this decision, as per Resolution 820e §4, the Party has the right to seek review by Arbitration in accordance with the provisions of Resolution 824 §14.

Please let me know if any of the Parties requires a signed hard copy of this decision and I will send one once the time for "interpretation or correction" has elapsed.