

DECISION 2019 - 08 - 15
TRAVEL AGENCY COMMISSIONER – AREA 3

Jo Foged
685 Remuera Road
Remuera, Auckland 1050
New Zealand

Applicant:

Breeze Travel and Tours (Pvt) Ltd. (“the Agent”)
IATA Numeric Code 27-3 1430
Lahore, Pakistan.

Respondent:

Agency Administrator, International Air Transport Association (“IATA”)
Singapore.

The Case and Decision:

The GDS ticketing system used by the Agent was "hacked" between Sunday 28 July 2019 and Sunday 4 August 2019 and tickets were generated showing the Agent's IATA numeric code. On discovery, the Agent contacted the GDS Security Operations Centre and the Pakistan Federal Investigation Agency's Cyber Crime Wing. After the GDS had cancelled as many reservations as was possible the net amount of fraudulently issued tickets was estimated to be PKR 3,859,858 (USD 24,039.00). The GDS made the observation that some tickets had been non-refundable after departure/in case no-show, while some segments had been partially used. The Agent commented that as there had been a penalty applicable as per Airline rules, their next BSP billing "are likely to be issued with ADM carrying a possible exposure amount totalling approximately PKR 2,106,689 (USD 13,096.00)". As a consequence, it was likely that the net amount of fraudulently issued tickets might exceed the PKR 3,859,858.

The Agent had not sought "capping" to issue the variety of Airline tickets issued. It now requested that it be relieved from paying the "third party criminally issued tickets".

IATA's position was that the Agent had signed an agreement with IATA and the security of the ticketing system provided by the GDS was the responsibility of the Agent. In its opinion the Airline should not be penalised for an alleged breach of an Agency.

This incident is one of a number where a TAC Decision has temporarily exonerated the Agent from paying for the "hacked" tickets where the Agent has discharged its

responsibilities. That situation would be reviewed once the outcome of the Police investigation was known. At this point, IATA is not in a position to identify any security shortcomings by the Agent.

While Pakistan is yet to be migrated to the NewGen Resolution 812 programme it should be noted that sub paragraph 15.2 of that Resolution reflects contemporary attitudes to cyber crime.

The Parties have complied with the terms of Resolution 820e and were placed on notice by the writer that in his judgement an oral hearing was not necessary and that this decision would be based on the written information submitted.

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

1. the Agent is exonerated from any liability to pay the PKR 3,859,858, or the amount finally determined as being the sum of the fraudulently issued tickets, pending the outcome of the Police investigation at which point this case will be reviewed.

This Decision is effective as of today.

Decided this 15th day of August 2019 in Auckland.

The following sub paragraph of Resolution 820e is brought to the attention of the Parties:

"2.10 - within 15 days after the receipt of the decision, a party, with notice to the other parties, may request that the Commissioner gives an interpretation of the decision or correct in the decision any error in computation, any clerical or typographical error, or any error or omission of a similar nature. If the Commissioner considers that the request is justified, he shall make the interpretation or correction within 15 days of receipt of the request. The interpretation or correction shall form part of the decision."

In this particular case the 15-day time frame expires on 30th August 2019.

If after having pursued this process a Party still considers itself aggrieved by this Decision the Party has the right to seek review by arbitration as detailed in Resolution 824, Section 14.

Finally, I seek your authority for this Decision to be posted on the private pages of the Travel Agency Commissioner website which can only be accessed by the 3 TACs and the 12 members of the Passenger Agency Programme Global Joint Council. In the absence of advice to the contrary by 31st August 2019, I will assume that there is no objection to that action being taken.

Jorgen Foged
Travel Agency Commissioner Area 3