



Media Release - 1 July 2011

Misleading Debit and Credit Card Charges challenged by OFT Investigation

TravelWatch ISLE OF MAN welcomes the report issued by the United Kingdom Office of Fair Trading following its investigation of the super complaint lodged by **which?** into rip-off charges for the use of Debit and Credit Cards.

The report recommends that:

- There should be no charge for the use of any debit cards - so that advertised prices are available to the holders of any debit card. *Previously some airlines charged for the use of any debit card other than Electron cards - which have not been available for issue to IOM residents for some time. This should therefore be of particular benefit to IOM residents.*
- Surcharges for the use of Credit Cards will still be permitted provided they are displayed at an early stage in the booking transaction **and** that the charges made reflect only the extra costs of the carrier or agent providing this means of payment. *Passengers flying from the IOM to destinations not served directly from Ronaldsway who have been charged on a per person per flight basis for two flight sectors should benefit considerably once this change is implemented.*

The OFT has put passenger travel companies on notice to **change misleading surcharging** or face enforcement action under (UK) consumer protection laws. The OFT is also calling for appropriate consumer protection laws to be updated.

The OFT is currently discussing surcharging practices with a number of passenger travel companies to secure compliance.

The operators serving the IOM who were consulted by the OFT in preparing the report were Flybe, easyJet and the Isle of Man Steam Packet Company.

It is also encouraging that the **European Parliament** has recently passed new rules on consumer rights in Europe, including one which states “Member states shall prohibit traders from charging consumers, in respect of a given means of payment, fees that exceed the cost borne by the trader for the use of such means.” This is due to be approved by the EU Council of Ministers in July after which member states will have up to two years to implement the new rules. *Although IOM is not a member of the EU most regular passenger services to and from the Island connect with EU countries so will come under these rules.*

TravelWatch comments that: *“Significant progress now seems to be made on an issue which has particularly irked IOM passengers - but which could not have been solved on an Island-only basis. We were therefore pleased to be able to commend the **which?** campaign to Isle of Man passengers and look forward to the implementation of these changes over the next few months”.*

[continued]

“We welcome the greater transparency that these proposed changes should bring. Passengers should find it easier to establish what they will pay for tickets and therefore be better able to chose between alternative fares - where competition exists. However, these proposed changes may not reduce fares - other “extras” may still be offered which passengers need to opt out from, and the high costs of travelling at short notice , especially at peak times, remain significant concerns for passengers”

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Notes for editors:

- The OFT Press Release about their report is available on <http://www.oft.gov.uk/news-and-updates/press/2011/76-11>
- For the OFT's response to the Which? Super-complaint and further background see <http://www.oft.gov.uk/OFTwork/markets-work/super-complaints/which>
- The full 74 page report on their investigation can be downloaded from http://www.oft.gov.uk/shared_oft/super-complaints/OFT1349resp.pdf

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