

## BACKGROUND: TRAVEL AGENTS AND WHOLESALERS IN BC

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### OVERVIEW

From making trip planning easy to ensuring the added protection of the [Travel Assurance Fund](#), there are many reasons why consumers choose to arrange their travel plans through a travel agent or wholesaler. In British Columbia, travel agents and wholesalers operating in the province are required to be licensed by Consumer Protection BC and make contributions to the Travel Assurance Fund. The fund one of last resort that provides consumers with a possible source of compensation if purchased travel services are not delivered. It is important to know that licensing requirement of BC travel agents and wholesalers extends to online businesses based within the province, too.

### THE TRAVEL AGENT AND WHOLESALER LAW IN BC

BC's laws that speak to travel agents and wholesalers, the [Business Practices and Consumer Protection Act](#) and the [Travel Industry Regulation](#), exist to protect consumers by: safeguarding consumer money, ensuring the sector operates by certain standards and providing added protection through the Travel Assurance Fund. It's important to know the travel laws Consumer Protection BC administers does not address instances when consumers voluntarily cancel travel services, or when consumers are unhappy with the quality of service.

### 2018 - 2020: TRAVEL AGENTS AND WHOLESALERS BY THE NUMBERS

#### *Licensed places, activities and occupations<sup>1</sup>:*

| BC-licensed travel agents or wholesalers | 2018  | 2019  | 2020  |
|--|-------|-------|-------|
|  | 1,241 | 1,120 | 1,115 |

#### *Consumer inquiries:*

- 2018: There were 761 inquiries about the travel sector, representing 7% of all calls and emails (11,177). Topics of interest included:
  1. TAF general follow up (44% of travel inquiries)
  2. General inquiry (17%)
  3. Return/refund (8%)
- 2019: There were 691 inquiries about the travel sector, representing 6% of all calls and emails (11,221). Topics of interest included:
  1. Return/refund (24% of travel inquiries)
  2. TAF claim general information (18%)
  3. TAF claim follow up (11%)

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<sup>1</sup> The number of licences shifted in 2017 to reflect a point-in-time count of licensees with active licences as of December 31, as opposed to prior year numbers that reflected the volume of licences issued and renewed during the year.

- 2020: There were 1,225 inquiries about the travel sector, representing 6% of all calls and emails (15,423). Topics of interest included:
  1. COVID-19 travel disruptions (34% of travel inquiries)
  2. Return/refund (27%)
  3. General inquiries (9%)

**Investigations:**

- 2018: There were a total of 86 travel-related investigation files. Of those, 79 files concluded with an outcome and 7 files were incomplete, unfounded or referred elsewhere. Of those 79 files with an outcome, 62 enforcement actions were taken, and voluntary compliance was achieved in 17 cases.
- 2019: There were a total of 28 travel-related investigation files. Of those, 25 files concluded with an outcome and 3 files were incomplete, unfounded or referred elsewhere. Of those 25 files with an outcome, 14 enforcement actions were taken, and voluntary compliance was achieved in 11 cases.
- 2020: There were a total of 27 travel-related investigation files. Of those, 23 files concluded with an outcome and 4 files were incomplete, unfounded or referred elsewhere. Of those 23 files with an outcome, 10 enforcement actions were taken, and voluntary compliance was achieved in 13 cases.

| Contraventions when enforcement action was taken                                 | 2018      | 2019      | 2020      | Total     |
|--|-----------|-----------|-----------|-----------|
|  | <b>62</b> | <b>14</b> | <b>10</b> | <b>86</b> |
| Operating without a licence  | 3         | 0         | 1         | 4         |
| Providing false or misleading info, failing to provide info or failing to comply | 0         | 0         | 1         | 1         |
| Engaging in deceptive acts or practices  | 0         | 0         | 1         | 1         |
| Failing to report changes such as business address or senior officers            | 2         | 1         | 0         | 3         |
| Failing to submit financial statements within due date                           | 46        | 0         | 0         | 46        |
| Failing to include required contents on payment receipts                         | 9         | 13        | 5         | 27        |
| Failing to meet qualifications for licence such as having enough working capital | 0         | 0         | 1         | 1         |
| Carrying on business in a prohibited manner (business address, name etc.)        | 1         | 0         | 0         | 1         |
| Failing to include licence number in visual advertisement                        | 1         | 0         | 1         | 2         |

**Travel Assurance Fund:**

Eligibility to claim against the Travel Assurance Fund is only available when booking through a BC licensed travel agent or wholesaler.

- 2018: Approximately \$43,521.00 was refunded to 20 consumers from the Fund for contracted travel services they did not receive.

- 2019: Approximately \$448,748 was refunded to 110 consumers from the Fund for contracted travel services they did not receive<sup>2</sup>.
- 2020: Approximately \$30,842 was refunded to 7 consumers from the Fund for contracted travel services they did not receive.

## BUSINESS OBLIGATIONS AND CONSUMER RIGHTS

By law, travel agents or wholesalers operating in BC:

- Must be licensed by Consumer Protection BC
- Must provide annual contributions to the Travel Assurance Fund for the first three years
- Cannot use their own personal credit cards to pay for consumer travel services
- Must provide consumers with payment or refund receipts that contain specific information (including the date, the amount received/refunded, a description of services to be supplied and more)
- Must include their licence number in any visual advertising about the business

By law, consumers:

- Have the right to receive the travel services they have paid for
- Have the right to seek compensation for the services they paid for but did not receive from a BC-licensed travel agent or wholesaler

## CONSUMER TIPS

1. **Check licensing status.** By law, anyone offering travel services in BC (either as an agent or as a wholesaler) must be licensed. Visit Consumer Protection website to [research a business's licensing status](#).
2. **Get a receipt.** By law, you must receive a receipt from your travel agent or wholesaler that includes the amount received, an itemized purchase price for the travel services to be supplied and the conditions for reimbursement. Also, we encourage you to make sure that you can read the content of the receipt if it is handwritten.
3. **Keep proof of payment documentation.** Ask for (and keep!) documentation for your travel services. This could include receipts, contracts, itineraries, boarding passes, hotel vouchers and more.

## ENFORCEMENT ACTIONS

To maintain the integrity of our investigative processes, we do not share detailed information about open files. Visit the [Enforcement Actions section of our website](#) to explore our recent licensing and enforcement actions.

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<sup>2</sup> In August 2018, we suspended and cancelled the licence of Sinorama Travel Inc. Vancouver, a Richmond-based travel agency with affiliated businesses in several provinces. Thousands of travellers were affected and claims against the TAF were accepted until the spring of 2019. Of the nearly \$1.02 million dollars in TAF claims received in 2019, \$444,885 was approved and paid back to consumers from the TAF.

## FOR MORE INFORMATION

Explore [www.consumerprotectionbc.ca](http://www.consumerprotectionbc.ca) for more information for both consumers and regulated businesses. Additional statistical information is also available in our [annual reports](#). We also share information and consumer tips on [Facebook](#), [Instagram](#), [YouTube](#) and in [our corporate blog](#).