

Duff on Hospitality Law

OTA & Travel Distribution Update: UK's Competition and Markets Authority considers unilateral COVID-19 cancellation policy changes; Genting announces new health and safety protocols; Airbnb bans short-term rentals in United Kingdom

By Greg Duff on 4.18.20 | Posted in OTA Update

This past week, we saw a number of stories (including the one listed below) describing [Booking.com](#)'s potentially precarious financial position, which reveals just how broad of an impact this pandemic is having on the travel industry. Suppliers, with their massive capital investments, are often the first to suffer. When the entire world stops traveling for weeks at a time, however, the entire travel ecosystem suffers. Let's hope we beat this thing soon. Stay safe and healthy everyone.

UK's Competition and Markets Authority Considers Unilateral Cancellation Policy Changes
("Expedia, [Booking.com](#) scrutinized by UK's CMA over Covid-19 contract changes," MLEX Insight on Mar 30, 2020)

For the past few weeks, we've included stories about several travel platforms' – both OTAs and short-term rental platforms – decision to implement unilaterally traveler-friendly COVID-19 cancellation policies. While many of these policies were consistent with already announced brand policy changes, these policies had a potentially disastrous effect on independent hoteliers, particularly those that may rely disproportionately on advanced purchase or non-refundable rates. This past week, the UK's Competition and Markets Authority (CMA) received a complaint from the UK's Bed and Breakfast Association arguing that these new policies are illegal, unfair and constitute an abuse of power. No official response yet from the CMA on whether it plans to open a formal investigation into the changes.

[Genting Announces New Health and Safety Protocols](#)

("Genting implementing new health protocols for cruise ships," Travel Weekly on Apr 8, 2020)

You may be wondering why we are featuring a story on a cruise company's recently announced changes to its health protocols this week. The announcement caught our attention for a few reasons. First, the cruise industry has been one of the travel industry's segments

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hardest hit by the coronavirus pandemic (if not economically, definitely on the PR front as COVID-19 has been added to the growing list of health-related concerns associated with cruising). Second, Genting is the parent company of several well-known cruise companies (Crystal Cruises), including two notable cruise companies that serve primarily Asian travelers (Dream Cruises and Star Cruises). Third, and most importantly, Genting is the first travel company we've seen to seize in such a public manner the opportunity (yes, opportunity) presented by the pandemic – specifically, to establish best-in-class standards and practices to keep guests safe and healthy. As the world rebounds from the pandemic, health and safety (at least for the foreseeable future) will be first and foremost on many travelers' minds. By adopting these new standards, Genting is not only seeking to differentiate itself on this new basis, but is also encouraging other industry participants to make similar critical improvements. Implementing such a plan will not be easy – the legal issues alone associated with these changes (and implementing these changes successfully) will warrant great consideration – but we applaud the effort and will be watching how other industry suppliers respond.

Airbnb Bans Short-Term Rentals in UK

("Airbnb decides to ban bookings in the U.K. after all," Phocus Wire on Apr 9, 2020)

On April 9, [Booking.com](https://www.booking.com) announced that it was banning bookings on its platform for stays in the United Kingdom through today, April 18. The country-wide ban, the first-of-its-kind to be implemented by a booking platform, came on the heels of public criticism of Airbnb's ongoing facilitation of travel in contravention of the U.K.'s stay-at-home guidance. It is interesting that this criticism was directed only at Airbnb (and no other travel platform), and that only Airbnb has chosen to respond this way. More on this soon.

Other news:

Loyalty Programs Still Show Some Life for Decimated Hotels and Airlines

Skift Travel News on Apr 10, 2020

In the past two months, travelers have bought roughly 100 million points and miles a day, on average. That's good news for cash-strapped airlines and hotels. They're using promotions to transform potentially costly refunds for canceled travel into less costly miles and points.

How Travel Tech Companies Aim to Survive the Coronavirus Pandemic

The Next Web on Apr 9, 2020

The coronavirus pandemic has so far had devastating consequences across the travel industry. Airlines have flown empty planes to try and keep their usual slots despite flight prices dropping below unimaginable levels – tickets from New York to Miami were on offer for just \$51 several weeks ago.

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Booking Holdings Lays Out an Ominous Financial Outlook

Hospitality Net - Latest Industry News on Apr 9, 2020

Could Booking Holdings potentially run out of cash in the second half of 2021? If things get super bad, that's a possibility. Compared to many other travel companies, Booking Holdings was in relatively good shape before the coronavirus pandemic turned the world into a lockdown pandemic, but it made a series of disclosures about dire scenarios that are chilling.

'The COVID-19 International Travelers Guide' App, Just One of the Initiatives Travel Companies Are Taking to Build Deeper Relationships With Their Consumer Base

Hotel News Resource on Apr 6, 2020

The uncertainty of the times threatens the future of the travel industry, however, operators that continue to touch base with their consumers now will emerge from this pandemic in a stronger position. Johanna Bonhill-Smith, Travel and Tourism Analyst at GlobalData, offers her view on the way forward.