

Authorities Close In on Deceptive Travel Platforms

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Good Sunday evening from Seattle . . . Our longer than usual weekly Online Travel Update for the week ending Friday, August 7, 2026, is below. This week's Update includes recent earnings releases from Airbnb, Expedia and Booking.com (including copies of the Expedia and Booking.com earnings call transcripts). We begin this week's Update with news of the City of San Francisco's action against certain well known (allegedly abusive) online travel sites. Enjoy.

San Francisco City Attorney Pursues Online Travel Platforms. While news that San Francisco City Attorney, David Chiu, was the public authority to finally bring claims against deceptive online travel platforms came as quite a surprise, neither the nature of the alleged acts nor the primary culprits (GuestReservations.com and BookOnline.com) were much of a surprise. So why now? David Chiu said it best in the City's press release announcing the lawsuit:

"These companies mislead consumers into thinking they're booking directly with a hotel, charge exorbitant rates, and impose inflexible cancellation policies. With inflation straining household budgets, these excessive markups only add to the burden. These scams hurt travelers as well as our local hotels, workers and businesses. We are asking the Court to shut these scams down and help us get people their money back."

The alleged actions at issue include (i) deceptive URLs that include hotel names as part of the address, (ii) call center agents that fail to identify themselves as associated with a third party (and not the applicable hotel) and (iii) non-cancelable advance pay rates that are considerably higher (and less flexible) than rates available through hotels' direct channels, which, according to the complaint, violate California's Unfair Competition Law. The lawsuit also names Booking.com as a defendant, which was also somewhat of a surprise. According to the complaint, Booking.com supplies the co-defendant retailers with hotel inventory, is well aware of the retailers' deceptive practices and continues to willingly profit from the ongoing deceptive bookings. The lawsuit seeks to end the deceptive and unlawful practices, obtain restitution for impacted California residents and recover civil penalties. Let's hope this lawsuit is a sign of needed attention being paid to this long-standing issue by public authorities. If the City of San Francisco (or any other authority for that matter) needs a list of other potential defendants, I'm sure that just about any supplier in the industry can provide a detailed list. A complete copy of the City Attorney's complaint is linked below.

Washington State Settles Claims Against Online Travel Platforms. The Washington State Attorney General announced this past week that it had settled with online retailers Bookonline.com (yes, here it is again) and Lexyl Technologies over claims that the retailers' platforms (Bookonline.com, Hotelrates.com, Room77.com and HotelGuides.com) had deceptively added a "refund protection fee" to bookings made on the platforms. A pre-checked grey box at the end of the booking path indicated a traveler's decision to purchase the "optional" service. According to the Attorney General, the platforms' inclusion of the fee (and the ability to remove the fee) was not clear and conspicuous and as a result violated Washington's Consumer Protection Act and the federal Restore Online Shoppers' Confidence Act. The majority of the \$1.1 million settlement will be paid to Washington residents who paid the fee when booking on the platforms.

Highlights from Booking Holdings' Quarterly Earnings Release. I'll again leave the financial details of Booking Holdings' latest earnings release to the analysts. Here are my key takeaways from the release, most of which are AI related (like most of questions during the Q&A portion of the earnings call):

- Google's AI overview is putting pressure on organic search and Booking Holdings' SEO efforts.
- Booking is being "discovered" on popular AI platforms but those discoveries are not leading to referrals (less than 1% of room nights are coming from LLMs - whether on a paid or unpaid basis - which is roughly the same percentage as the past several months).
- Booking Holdings' organizational AI rollout is producing real cost savings, particularly in customer service where costs per booking have been reduced by a double digit percentage.
- Loyalty continues to play an increasingly important role at Booking.com as more than 30% of Booking.com's active users are Level 2 or 3 Genius members and such members account for over 50% of room nights booked (both a YOY increase).
- Booking.com is one of Google's initial partners in its launch of agentic booking (more on this next week).

Highlights from Expedia's Quarterly Earnings Release. Here are my key takeaways from the second quarter's release:

- As with prior earnings releases, much of the conversation around this year's release was focused on B2B. B2B revenue grew 23% YOY (which is the 20th consecutive quarter of double digit growth and outpaced Expedia's consumer business (8% growth YOY)).
- Today, Expedia's B2B business predominantly provides hotels to its 75,000+ partners, but Expedia hopes to soon change that via Expedia's planned "one stop B2B travel shop." Expedia's acquisitions of Tiqets and CarTrawler are part of that B2B expansion effort.
- With regard to search and specifically organic search/SEO, organic search traffic is "stable to slightly up." AEO (answer engine optimization) is Expedia's fastest growing channel.

Airbnb Experiencing Significant Growth in Hotels. Airbnb CEO Brian Chesky's second quarter shareholder letter highlighted the travel platform's recent successes in growing its hotel business. According to the letter, Airbnb has added thousands of boutique hotels to the platform (in cities such as New York, Paris,

London, etc.) and hotel night bookings are currently growing three times faster than Airbnb's home business (though still only represent a single digit percentage of all nights booked).

Thirty Percent of Spotnana Revenue Comes from Leisure Travel. Did you think that Steve Singh's Spotnana was for corporate and managed travel only? Think again.

Have a great week everyone.

[Airbnb Is Growing Faster Than Rivals as AI Speeds Up Product Releases](#)

August 6, 2026 via Skift

As Brian Chesky tells it, AI seems to be really kicking in at Airbnb. Excluding the LLMs and hyper-scalers, he argues that Airbnb went from being a middle-of-the-pack AI company to “a leader in AI.”

[How Gemini Plans Such Detailed Vacation Itineraries for You](#)

August 6, 2026 via Google

Planning a trip? Gemini handles the details - juggling existing plans, personal preferences and more to craft custom travel itineraries.

[Ask Maps Gets More Helpful with Food Ordering and More](#)

August 6, 2026 via Google

From agentic food ordering to real time transit information, the latest Ask Maps improvements make it easier than ever to get more done.

[Expedia B2B Is Mostly Hotels, But It Wants a One-Stop Shop](#)

August 5, 2026 via Skift

Expedia Group's B2B offering has been predominantly hotels. The online travel agency, which was founded more than 25 years ago, only recently began offering flights to B2B partners. Its strategy is to expand B2B into many more verticals.

[Expedia Group Inc. Q2 2026 Earnings Call](#)

August 5, 2026 via Expedia Group

We had a solid second quarter, delivering strong financial results while making tangible progress on our strategic priorities. We exceeded the high end of both our top and bottom-line expectations for the fifth quarter in a row, growing bookings 12%, revenue 14%, and adjusted EBITDA 23%.

[Booking Holdings Inc. Q2 2026 Earnings Call](#)

August 4, 2026 via Booking Holdings

I am pleased to report that our teams delivered another quarter of strong execution. We exceeded the high end of our guidance across all of our key financial metrics, while continuing to invest in the strategic priorities that we believe will drive long term value.

[Steve Singh's Business Travel Startup Spotnana Is Now 30% Consumer](#)

August 4, 2026 via Skift

Spotnana is Steve Singh's second act after building and flipping Concur. He's expanding the business travel startup to cover leisure travel, too, after having raised additional funding.

[Booking Holdings CEO: AI Overviews Are Squeezing SEO](#)

August 4, 2026 via Skift

No travel business has found the silver bullet yet in how to show up prominently on a consistent basis within the major LLMs. As these platforms evolve, such an achievement becomes a moving target.

[EU Requires Labels for All AI Formats](#)

August 3, 2026 via Media Post

The European Commission's new transparency rules for AI systems took effect on August 2, 2026, mandating clear disclosure when users interact with artificial intelligence (AI) or view artificially generated synthetic content for images, audio and video.

[Expedia Acquired AI Trip-Planner Layla](#)

July 31, 2026 via Skift

Is Layla substantially more advanced than the ever-increasing number of other AI trip-planners out in the wild?

[Hotel Booking Cos. Ink \\$1.1M Deal to End Wash. AG's Suit](#)

July 31, 2026 via Law360

Hotel booking companies Lexyl Technologies LLC and Bookonline.com LLC agreed to pay nearly \$1.1 million to resolve claims from Washington's attorney general that the platforms deceptively added a "refund protection fee" to users' reservations, according to a settlement announced Friday.

[City Attorney Lawsuit Cracks Down on Hotel Booking Scam](#)

July 29, 2026 via SF Gov

San Francisco City Attorney David Chiu filed a lawsuit today against two hotel booking sites, GuestReservations.com and BookOnline.com, for imitating authentic hotels and scamming travelers into paying significantly higher rates. To view the complaint, click [here](#).

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