

October - December 2017

UPDATING *Ontario's* **TRAVEL LEGISLATION**

The goal of the recent comprehensive review of Ontario's *Travel Industry Act, 2002* conducted by the Ministry of Government and Consumer Services was to strengthen consumer protection when purchasing travel services in Ontario. At the same time, the Ministry was also reviewing legislation covering other areas in which consumer protection is paramount – specifically in the regulation of homebuilders; ticket sales; condominium management services; funeral, burial and cremation services; motor vehicle dealers; and real estate.

These review processes resulted in the government presenting Bill 166, *Strengthening Protection for Ontario Consumers Act, 2017*, on October 5, 2017. Bill 166 passed Third Reading in the Ontario legislature on December 13, 2017. The amendments to the *Travel Industry Act, 2002*, will strengthen the consumer protection in Ontario for consumers purchasing travel services and reduce the burden for the approximately 2,400 Ontario registered travel agents and travel wholesalers. The changes include:

- Enabling the creation of new rules for representations, such as advertising, by out of province travel sellers who target Ontarians.



- Creating a registration requirement for individual travel salespersons.
- Lessening the burden on travel agents and travel wholesalers by creating a registration class of travel seller so that the businesses would no longer need to register as both a travel agent and travel wholesaler.
- Improving compliance with the rules by providing new enforcement tools, such as administrative penalties and compliance orders, including a new appeal mechanism to the License Appeal Tribunal for these new enforcement measures.

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MESSAGE FROM THE REGISTRAR

Another year is almost over and what a year it has been! Notwithstanding geo-political events, mother nature's fury and (tragically) terrorism, the travel market has responded with another solid year performance-wise. In Ontario, we are seeing record top-line growth and another year in which consumer claims against the Compensation Fund are near historic lows.

Perhaps the most significant initiative underway this year is the comprehensive review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Since launching this important initiative in June 2016, the government of Ontario and TICO have been busy hearing from you (and consumers) about ways in which the legislation can be modernized to reflect an ever-evolving travel marketplace. It has been both an honour and pleasure hearing from Ontarians across the province how the legislation needs to be modified to reflect new ways of doing business, disruptive technologies, fraud and other emerging practices. This version of **TICO Talk** provides an update on the legislation, which passed the third and final reading on December 13, 2017, and an outline of what to expect in the months ahead. We are on a journey, and quite frankly, we are very fortunate to be able to contribute to Ontario's travel legislation for years to come. These are exciting times!

I'm equally excited about several other initiatives underway. Our Consumer Awareness Campaign is at the forefront of our strategic planning as we look for new and innovative ways to engage consumers. I continue to appreciate the importance of registrants as "ambassadors" for TICO's consumer protection message. We are testing our overall value proposition with registrants through an extensive and analytical process aimed at understanding, and ultimately enhancing, our value proposition. You should expect to hear more in the New Year. As we strive for enhanced operational efficiencies, there are several technology-related process enhancements that will soon drive efficiencies with your interactions with TICO. There are also many other initiatives underway at TICO in support of our Vision to be a truly "progressive" regulator. Of course, I would be remiss if I did not highlight our employees' efforts with various CSR (Corporate Social Responsibility) initiatives. Our accomplishments here reflect the passion, creativity and commitment of all TICO employees to make peoples' lives, and the environment, better.

So, as we near the end of 2017, we are about to enter a New Year with transformative changes to Ontario's consumer protection model. These are indeed exciting times. For now, I wish you and your families a safe and happy holiday, and a prosperous New Year.



Richard Smart, President and CEO



Consumer Awareness Campaign 2017-2018

1 TRIP SEEM TOO GOOD TO BE TRUE?
IT MAY BE A SCAM



2 BEWARE THE RISK
Book With A Registered Travel Website Or Agency



3 LOOK FOR THE LOGO BEFORE YOU BOOK



SEARCH 2400 TRAVEL WEBSITES & AGENCIES

Commencing in mid-December, the upcoming Consumer Awareness Campaign will be running the same two 15-second tv ads as last year, featuring commonly seen travel icons to illustrate the pitfalls of travel without the benefit of a travel agent's advice. The mainstream television campaign, running from December 17, 2017 for five weeks, will be shown on all major Ontario stations, including CTV, Global, CBC Ontario, City Television and YES.

Extremely positive feedback was received on last year's ads, which could be played as a stand-alone ad or as what is known as a "top and bottom of commercial cluster" package, in which one ad is played at the beginning of a tv show and the other at the end. As before, the ads are targeting women, ages 25 to 54.

Expanding TICO's media strategy

TICO will also continue the pre-roll advertising that it began last year, in which the 15-second television ads appear in front of videos, movies or television shows that are watched online. These ads targeted adults 18 to 49 years old in Ontario, as well as people who had been flagged as travel, hotel and vacation intenders by their online history. TICO will also continue to support the Consumer Awareness Campaign through display ads and posts on Facebook and Twitter, but this year it will add Pinterest and Instagram to the mix. The online ad campaign will continue for an additional four weeks in January 2018, following the television campaign.

Once the Consumer Awareness Campaign has ended, TICO will again follow up with the launch of a wide-ranging omnibus survey across Ontario, to measure the effectiveness of the campaign with respect to raising awareness of the benefits of booking travel with an Ontario registrant. Watch for the results in an upcoming issue of **TICO Talk**. ▲

1 CAN YOU AFFORD TO LOSE YOUR VACATION?



2 BEWARE THE RISK
Book With A Registered Travel Website Or Agency



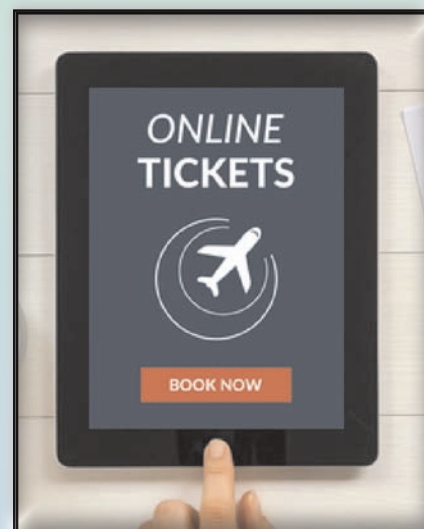
3 LOOK FOR THE LOGO BEFORE YOU BOOK



SEARCH 2400 TRAVEL WEBSITES & AGENCIES

Remember the Rules!

TICO wishes to remind all registrants to always be aware of how their travel agents are engaging with consumers online – particularly on websites and social media. There have been several incidents in which travel agents have created their own website using a trade name that is not on the registrants' registration record with TICO, which is a contravention of legislated requirements.



In addition, some travel agents have taken to advertising their travel services on sites such as Kijiji, and when so doing, they usually do not comply with TICO's advertising and representation requirements.

Any travel agent working on a registrant's behalf should know about the legal requirements involved. They can refer to TICO's checklist concerning online travel advertising, which is very helpful, [click here](#)

Save the Dates

February 23 – 25, 2018



The Outdoor Adventure & Travel Show

The International Centre, Hall 5
6900 Airport Road
Mississauga

March 17 – 18, 2018



Ottawa Travel and Vacation Show

Shaw Centre
55 Colonel By Drive
Ottawa



Assessing TICO's Value to Registrants

It used to be standard for many companies to assess how they were rated by conducting the classic customer satisfaction survey. Today, however, more and more progressive organizations, including TICO, recognize that there is a key difference between "value" and "satisfaction". (For example, in TICO's case, registrants may be satisfied that the registration process is completed in an acceptable manner but at the same time, they do not perceive significant value being added to their business operations by completing that process.) For the registrant relationship to operate at its optimum level, TICO must understand what is perceived as valuable, and why, and then incorporate it into what TICO provides, to enhance the value of registration. This was the thinking behind one of the strategic priorities in TICO's Business Plan, specifically: "to drive Registrant Engagement and Improve TICO's value proposition to Registrants."



The most effective way to identify key drivers of TICO's value proposition, and initiatives to improve them, is through continuous and meaningful engagement and communications with registrants. That process is now underway. As an initial step, TICO has hired a consultant who is currently completing some qualitative research, which involves meeting with all TICO staff and members

of the Board. At this stage, the research is primarily exploratory, to gain understanding and insights, and it will be used to help develop a discussion guide for the next stage.

EXTERNAL RESEARCH

Using the discussion guide, registrants who have been selected at random will be asked to rate how well TICO demonstrates its value. After a thorough exploration of the current perception of TICO's value with these registrants, the information gathered will help pinpoint which areas need to be probed more extensively. These will then be incorporated into a Value Survey that will be distributed to all registrants some time in the Spring, in order to obtain quantitative research. The survey results will provide a benchmark on where TICO stands now, in the eyes of its registrants, and what specific areas need to be focused on to drive/improve TICO's value to registrants.

Although the research is at an early stage, certain themes are already emerging. For example, more educational offerings are perceived as being valuable to both long-standing and new registrants. TICO communications are another area that will be looked at in depth.

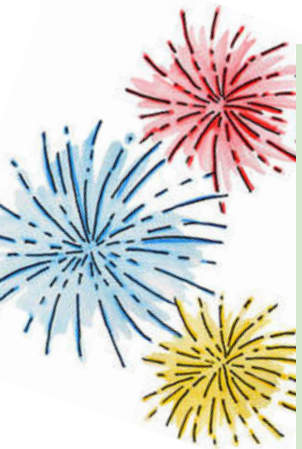
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CELEBRATING 20 YEARS!

To mark TICO's 20th anniversary, Richard Smart, President and CEO, hosted an informal reception at the Mississauga Golf & Country Club in September. Attendees included past and present members of the Board of Directors, former President and CEO Michael Pepper, and a full contingent of TICO's staff – many of whom have worked for TICO for all or most of those 20 years. The evening provided a great opportunity for catching up with old friends and colleagues, and sharing the many memories of TICO's proactive and professional evolution since its inception in 1997. ▲



From left to right: Richard Smart, Jean Hébert, Chair, and Kevin French, Acting Deputy Minister



From left to right: Scott Stewart, Trish McTavish and Michael Pepper



From left to right: Richard Vanderlubbe, Vice Chair, Michael Pepper and Richard Smart

A Valuable Refresher

TICO's compliance team has developed a workshop geared towards TICO Certified Travel Agents who would like to revisit their responsibilities under the *Travel Industry Act, 2002* and Ontario Regulation 26/05. The workshops will take place at TICO's offices. The first one took place in early December, and future dates for this refresher course will be announced soon on TICO's Learning Centre. Please [check here](#) regularly, in order to register as soon as possible.

Proposals to Revoke Registration

A total of 14 proposals to revoke registration were issued during 2016/2017. The proposals were issued for the following reasons:

- Failure to file Financial Statements: 7
- Failure to maintain Working Capital: 1
- Failure to maintain Trust Accounting: 3
- Failure to file Compensation Fund Assessment (Form 1): 1
- Other Breaches of the Act and Regulation: 2

In the process, TICO attended 20 case conferences and four hearings before the Licence Appeal Tribunal (LAT) in response to the proposals issued against registrants. Case conferences are a mandatory part of the LAT appeal process. Some proposals were settled prior to their scheduled hearing date.

What happens next?

Now that Bill 166 has passed Third Reading, the next step will be for an extensive review of Ontario Regulation 26/05, similar to the review process of the *Travel Industry Act, 2002*. Further consultations by the Ontario government with all stakeholders will be required for the development of changes to the supporting Regulation before the changes to the *Act* take effect. As an example, one of the changes proposed is to combine the registration categories of travel agent and travel wholesaler into a new category of travel seller. As there is no reference in the current Regulation to a travel seller, this will have to be amended in order to enable that provision.

The changes will come into force on a day to be proclaimed by the Lieutenant Governor. The thoroughness of the review process dictates the length of time required to introduce updated legislation. As a comparison, it is worth noting that the *Travel Industry Act, 2002* did not come into force until 2005.

TICO commends the Ontario Government for this initiative and welcomes the opportunity to continue to work collaboratively on the proposed changes to the Regulation. In the coming months, TICO will proactively communicate and seek out opportunities to engage all stakeholders to contribute and provide feedback on proposed regulatory changes towards modernizing the consumer protection legislation in Ontario. ▲



Court Matters



CHARGES

Dominic Daly was charged with three counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Daly operated in Toronto.

Emmanuel Adjei was charged with seven counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Adjei operated in Toronto.



Karen Robinson (aka Karen Gushue) was charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Robinson was operating in Fort Erie and elsewhere in Ontario. Ms. Robinson was also charged with a number of counts of fraud over \$5,000 and fraud under \$5,000 under the *Criminal Code of Canada*. The charges are a parallel proceeding to prosecution under the *Act*, and are currently before the Ontario Court of Justice, Criminal Division.

Akkiratourz Ltd. and Gukadharsini Packiyanathan were each charged with six counts of failing to hold money in trust and failing to deposit customer funds into the trust account, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Akkiratourz was registered as a travel agent and operated in Toronto and elsewhere in Ontario. The company voluntarily terminated its registration effective May 12, 2016.

For further information on Charges and Convictions, [click here](#). ▲

Assessing Tico's Value to Registrants... continued from page 4

TICO is firmly committed to the qualitative/quantitative research approach, believing it to be one of the most effective ways to ensure real change. To stay on track, registrants' increased awareness and understanding will be measured on a regular basis – a process that often takes four to five years, since attitudes and behaviours do not change overnight.

Going back to the "value" proposition, TICO, as enforcer of the legislation, wants to know if it is doing enough to help registrants, or what more can be done, in the right format, so that registrants will understand their role better. If the value of TICO is ultimately enhanced, both industry compliance and consumer protection will increase – a win-win for all concerned. ▲

What a team!

TICO's Corporate Social Responsibility (CSR) Committee has been organizing a spate of activities over the past three months in support of a variety of initiatives. On the environmental front, in April 2016 TICO "adopted" Max Ward Park, and committed to regularly cleaning up the park. TICO has continued its clean-up effort throughout this year. Not only is the park close to TICO's offices, but it has a strong travel connection, in that Max Ward was a Canadian aviator who founded Wardair Canada.



Still on a local charitable theme, the CSR team partnered with the Mississauga Food Bank. In addition to organizing food drives, TICO staff volunteer at the food bank twice a year. In November, eight members of TICO staff spent a day sorting food that equated to 4,840 meals!



At a global level, TICO teamed up with Plan Canada to support a community in Nga, Laos. In June, TICO presented a cheque for \$5,150.00 that had been raised through a range of CSR initiatives in support of Plan Canada. And in November, TICO staff held a "Book Basket and Bake Sale" in their building's main lobby, which raised a further \$681 for Plan Canada. TICO staff are also holding several silent auctions in the weeks leading up to Christmas to raise additional funds for the development organization. ▲

Assessment of Ontario's Travel Compensation Fund

Following a competitive process, Deloitte was selected by TICO to complete an actuary analysis and financial assessment of the Compensation Fund. The purpose was to determine the adequacy of the Fund under various scenarios of expected losses, and to assess the sustainability of the Fund into the future. Highlights of the completed Deloitte Report include:

- Current funding arrangement combined with expected losses are projected to deplete the Fund over the next 10 to 15 years.
- Significant risk exists with the dependency on charge-back policies of credit card processors, leaving the Fund and consumers at risk if these policies change in the future.
- The optimal approach to achieve the desired target Fund is a new funding model that includes a variable consumer protection fee.
- A target Fund level of \$50 million was recommended, with the introduction of a comprehensive reinsurance layer to protect consumers from catastrophic losses.

The study contains a detailed description of methodology, analysis and observations. The findings were integral to the recommendations made by TICO during the comprehensive review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05.

To access the complete report, please [click here](#).

Upcoming Issues

In future issues of **TICO TALK** we plan to include:

- Update on Legislative & Regulatory Review
- Update on Registrant Engagement
- Results of the Omnibus Survey
- Trade Shows and upcoming events
- TICO's AGM and election

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2700 Matheson Boulevard East,
Ste 402, West Tower,
Mississauga, Ontario L4W 4V9.

Tel: (905) 624-6241
Fax: (905) 624-8631
Toll-free: 1-888-451-TICO
e-mail: tico@tico.ca
web site: www.tico.ca

Dealing with Consumer Complaints

Whenever a consumer is unsatisfied with any aspect of the travel services that they purchased from a registrant, they must first attempt to resolve the issue with their travel agent. Only after that attempt has been made may they contact TICO for information or assistance in dealing with their complaint.

TICO recommends that consumers put their complaint in writing to the travel company involved, explaining why they are not satisfied and how the matter could be resolved to their satisfaction. If the company's response is not satisfactory, only then do they have the option of filing a written complaint. TICO does have the authority to settle a dispute, or to impose a settlement, and it does not have the authority or mandate to act as an arbitrator in any complaint matter.

When TICO accepts complaints from consumers against Ontario registered travel retailers and/or travel wholesalers, its role is to facilitate the flow of information between the consumer and the travel company to assist in resolving a dispute. Pursuant to its mandate of administering and enforcing the *Travel Industry Act, 2002*, TICO also reviews all information received to determine if regulatory action is required. If such is the case, this will be dealt with separately from assisting with the resolution of the complaint.

Top 10 Reasons for complaints

Each year TICO reviews the complaint categories as it is important to know what the main issues are, and what progress – or otherwise – has been made as far as correcting them.

1. Outstanding refunds -
#4 in previous year
2. Failure to provide proper disclosure of required information (i.e. availability of travel insurance) -
#7 in previous year
3. Information / documentation (i.e. issues related to travelling with passports and other travel documents) -
#6 in the previous year
4. Customer service issues
5. Suspected fraudulent activity of travel counsellor -
#1 in previous year
6. Advertising issues
7. Cancellation / non-refundable / no insurance
8. Ticketing issues
9. Accommodation changed
10. Incomplete or incorrect information provided to the consumer by the registrant (i.e. information regarding the travel product or services being sold) ▲

