

Published on Thursday, June 28, 2018

Hotel websites be warned!

Competition watchdog threatens hotel booking sites with court action

Competition authorities have sent warning letters to a number of hotel booking sites after an investigation identified widespread concerns.

The Competition and Markets Authority says the companies risk court action unless they review their terms and practices to make sure they are fair and comply with consumer protection law.

It is also referring a number of hotel booking sites to the the Advertising Standards Authority amid concerns over the authenticity of price guarantees and other price promises.

The CMA has asked the ASA to consider whether statements like 'best price guarantee' or 'lowest price' mislead customers and what conditions must be met for companies to make such claims.

“Travel Agents tend to attend to engage a trust relationship for their repeat customers and offer options with less onerous conditions , knowing that their integrity and reputation is at stake, whereas unchallengeable websites can say and do what they like”

Following an investigation, launched in October, the CMA said it has identified several areas for concern, including to what extent search results are influenced by how much a hotel pays to a site and the practice of pressure selling.

It questioned whether claims about how many people are looking at the same room, how many rooms may be left, or how long a price is available, create a false impression of room availability or rush customers into making a booking decision.

It also identified concerns about hidden charges and whether discount claims might sometimes be based on a higher price that was only available for a brief period or not relevant to the customer's search criteria.

CMA chief executive Andrea Coscelli said: "Booking sites can make it so much easier to choose your holiday, but only if people are able to trust them. Holidaymakers must feel sure they're getting the deal they expected, whether that's securing the discount promised or receiving reliable information about availability of rooms. It's also important that no one feels pressured by misleading statements into making a booking.

"That's why we're now demanding that sites think again about how they're presenting information to their customers and make sure they're complying with the law. Our next step is to take any necessary action - including through the courts if needed - to ensure people get a fair deal."

