

THE FINNISH CONSUMER AGENCY'S INSTRUCTIONS CONCERNING THE GUARANTEE TO BE PROVIDED BY PACKAGE TRAVEL TRADERS

A package tour is an exceptional service in that a consumer who buys a package must pay it in full in advance. For this reason, it has been found necessary to create a system which makes it possible for consumers to get back the money they have paid for a package tour in advance in case the tour cannot be carried out because the organiser has gone bankrupt / become insolvent.

As a general rule, anyone who organises package tours or acts on behalf of a foreign package tour organiser shall lodge a guarantee with the Finnish Consumer Agency against the event of his bankruptcy or insolvency.

In order to be acceptable as a guarantee complying with the requirements of the Travel Agency Act, the guarantee to be lodged with the Finnish Consumer Agency shall be drawn up according to one of the following guarantee models:

- [Open-ended travel agency guarantee](#)
- [Fixed-term travel agency guarantee](#)
- [Pledge of bank funds](#)

The Guarantor shall be established in the European Economic Area. A guarantee provided by a financial institution established in some other country than Finland shall be accompanied by the following documents: a statement from the competent authority in the country of establishment showing that the financial institution has the right to carry on financing activities in that country, a document proving that the persons who have signed the guarantee are authorized to sign for the financial institution in question, and a statement of the financial institution's credit worthiness given by Moody's Investors Service or by some other reputable credit rating agency.

It is to be noted that a pledge is acceptable only if all the appendices mentioned in the Letter of Pledge are submitted to the Finnish Consumer Agency.

If the bank account to which the pledge is made is non-Finnish, the travel organizer will need to supply the Finnish Consumer Agency with the pledge legislation of the country where the pledged bank account is located in Finnish or Swedish.

Appendices

- Open-ended travel agency guarantee
- Fixed-term travel agency guarantee
- Pledge of bank funds

An approved guarantee shall be lodged with the Finnish Consumer Agency by the date stipulated by the Agency. If guarantee has been provided by this date, the Finnish Consumer Agency will prohibit the organiser from pursuing package travel trading until an acceptable guarantee as required by Section 10 of the Travel Agency Act has been lodged.

Additional information:

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