

choice

AUSTRALIAN CONSUMERS IN THE TRAVEL MARKET
ANNUAL TRAVEL TRENDS REPORT – PHASE 3 OF THE CHOICE TRAVEL
PROJECT



FEBRUARY 2017

WWW.CHOICE.COM.AU E CAMPAIGNS@CHOICE.COM.AU
57 CARRINGTON ROAD MARRICKVILLE NSW 2204 P 02 9577 3333 F 02 9577 3377

ABOUT US

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

To find out more about CHOICE's campaign work visit choice.com.au/campaigns and to support our campaigns, sign up at choice.com.au/campaignsupporter

CONTENTS

Introduction	4
1. Accessible travel and consumers with disabilities	9
2. Travel problems	13
3. Flight problems	16
4. Domestic airline satisfaction.....	22
5. Consumer protection	28
6. Travel insurance	35
7. Travel agents.....	42
Appendix	50

Introduction

The CHOICE Travel project commenced following the deregulation of the Australian travel intermediary industry in July 2014. The project offers research, advocacy and information for Australian consumers in the travel market.

The aim of the project is to create a better understanding of the issues facing Australian consumers in the travel industry, and ensuring that initiatives from government, industry and the consumer movement meet identified consumer needs.

As part of the project, CHOICE conducts an annual travel trends survey. The research is updated annually in the form of a consumer travel trends report to assist tracking and awareness of key issues over time. The survey identifies issues in a number of areas, including flights, travel insurance, accommodation, car hire and customer **satisfaction with each of Australia's major airlines.**

Research approach

This report outlines the results of Phase 3 of the travel trends survey. Phase 3 has been conducted as an ongoing study to understand the issues faced by the travelling public. In this third iteration, CHOICE has surveyed n = 2,500 Australians aged over 18 years who took a domestic flight for a holiday in the past 12 months and at least one international flight in the last two years.

The fieldwork took place from 20 June to 11 July 2016. To ensure the sample is representative of the Australian population, the data has been weighted by age, gender and state according to ABS Census Data, 2011. The fieldwork agency used for this survey was Pureprofile, ISO aligned panel.

Survey periods:

Phase 1: 8th November – 11th November 2014; n = 1,100

Phase 2: 22nd June – 6th July 2015; n = 1,517

Phase 3: 20th June – 11th July 2016; n = 2,500

Some survey results are broken down by generation as follows:

Gen Z: 1995 – 1998

Gen Y: 1994 - 1980

Gen X: 1979 - 1965

Baby Boomer: 1964 - 1946

Pre Boomer: 1945 or earlier

In addition to the travel trends research, CHOICE interviewed stakeholders representing and working with Australians with disabilities, to inform research and advocacy work.

Key findings

- 45% of respondents experienced a travel problem in the 12 months to July 2016.
- Air travel was the area of most concern, with almost 1 in 3 (31%) experiencing a problem with a flight in the 12 months to July 2016.
- Of the main problems experienced with flights in the last 12 months, almost three quarters (73%) were delays and cancellations.
- 63% of survey respondents said that no action was taken by the airline when they experienced a delay, up from 52% in 2015. One in three said that the airline's response to their holdup was poor, very poor or terrible.
- Consistent with Phase 2, Gen Y were more likely to report encountering problems faced when travelling. Issues with flights were most common as well as problems with booking online and with a travel agent.
- **66% of people who experienced a travel problem didn't make a complaint.**
- The key reasons for travellers choosing not to complain remains consistent with Phase 2: people doubt it will achieve anything, and **there's** a perception that the complaint process is a hassle.
- This perception is backed up by people who complain to airlines, with only 32% saying they were satisfied **with the airlines' response to their problems/complaints.**
- Virgin is the only airline that has experienced a significant improvement in overall rating.
- Airlines have the greatest dissatisfaction with response to customer complaints.

- Take-up of travel insurance remains steady over the past 24 months with more than three quarters of international travellers taking up some form of travel insurance.
- Younger travellers continue to be less likely than those aged over 50 to take up travel insurance.
- Alarming more than half (59%) assume that their travel insurance covers for insolvency or bankruptcy of travel agents or providers – however, less than a third of travel insurance policies actually provide this cover.
- Reported use of a travel agent to book a holiday dropped but travel agents continue to be used by over a third of the Australian population. Older Australians are more likely to book using travel agents than Gen Y.
- Stakeholders representing and working with Australians with disabilities say the National Disability Insurance Scheme will give many Australians with disabilities more opportunity to travel and access services around the country. However, travelling with a disability is complex, with travellers experiencing problems with lack of information, poorly designed online booking processes, out-of-date databases, pre-existing conditions in travel insurance, and inconsistent training for staff in the travel sector.

Information and advocacy

CHOICE has identified a number of areas in the sector where policy, advocacy and information will be prioritised to improve the consumer travel experience. These key areas are:

- Airline passenger rights
- Credit card surcharges and the travel industry
- Travel insurance
- Car hire

Airline passenger rights

This remains the key problem area for Australian travellers. While the number of passengers reporting problems with flights dropped from 38% to 31%, those reporting problems with delays and cancellations increased by 18%, and 63% said there was no action taken by the airline when they experienced a delay – an increase of 10%.

The vast majority of passengers decline to complain when confronted by problems, and with a 32% satisfaction rate with airlines response to complaints, travellers' reasons for not complaining are justified – they doubt it will achieve anything, and **there's** a perception that the complaint process is a hassle.

CHOICE launched complane.com.au in July 2016 to enable the complaint process and obtain insights into what is happening with airline complaints. The collected information was also used to inform CHOICE's Australian Airline Industry Super Compliant released in November 2016.

This report calls for urgent enforcement action to ensure that the airline industry is compliant with the Australian Consumer Law (ACL), and for guidance and a thorough review of the terms and conditions of the Australian airline industry.

Credit card use and the travel industry

Credit card surcharges

CHOICE has long advocated for reasonable credit card surcharges and welcomed the domestic airlines' adherence to credit card surcharge limits in September. However, airlines selling to Australians from overseas (using an overseas bank) such as AirAsia X, Scoot and Cebu Pacific are using a loophole that allows foreign merchants to maintain unreasonable surcharges.

Chargeback rights

Credit card chargebacks provide consumers with the option to retrieve their funds when a service or good is not provided, provided they paid for those goods or services with their credit card or on a debit card with the credit option. Consumer awareness of chargebacks remains unchanged at 31%. And for some consumers, the long lead time for booking a flight, cruise or other holiday-related purchase means that chargeback rights cannot be relied upon as a protection.

While for many consumers booking through a travel agent, chargebacks remain the only avenue to refund in the case of agent insolvency, with only a few insurers providing cover for this scenario.

Travel insurance

Coinciding with recent research commissioned by the Insurance Council of Australia and the Department of Foreign Affairs and Trade into [Australians' travel insurance behaviour](#), the CHOICE research finds travellers have little understanding of their travel insurance. CHOICE's [consumer pulse](#) also recently found 42% of consumers read none or almost none of the terms and conditions when signing up to a product or service online.¹

CHOICE reviews of [115 travel insurance policies](#) combined with case studies highlight serious issues with travel insurance exclusions and consumer understanding of policies, including in relation to mental health, specialty sports and alcohol exclusions.

Car hire

Car hire companies have the greatest dissatisfaction with response to customer complaints and our CHOICE Help consumer rights advice service continues to receive a number of enquiries related to predatory practices in the car hire industry.

CHOICE will update its content advising consumers of car hire problems and options to avoid excessive ancillary costs. We'll also research the industry further to find a clear path forward to address consumer problems.

Accessible accommodation

Academics and organisations representing people with disability tell us that finding accessible accommodation is extremely difficult. Better information is needed at the point of sale to inform people with diverse needs about whether accommodation is accessible to them.

CHOICE will work with other advocates to improve accommodation provider information.

¹ CHOICE Consumer Pulse Wave 10 Question B2

1. Accessible travel and consumers with disabilities

As a part of CHOICE's advocacy work in the travel and tourism sectors, disability organisations were consulted on the state of accessible travel and tourism in Australia. CHOICE consulted disability organisations, academics, and industry groups to determine what the major problems are for travellers with disability and accessibility needs. Consultation was conducted in the form of:

- Participation in the NSW Government's Accessible Tourism Forum (April – May 2016);
- Face-to-face interviews and phone interviews with disability advocates, relevant government departments and tourism academics (throughout 2016);
- Email correspondence and face-to-face meetings with major travel and tourism businesses and industry bodies (throughout 2016).

All stakeholders said that the National Disability Insurance Scheme (NDIS) will now give many Australians with disabilities greater opportunity to travel and access more services around the country. As such, the disability community, the broader community and industry will benefit from improved accessibility in tourism. This includes Australia's ageing population, who have growing and varying levels of accessibility needs.

Stakeholders also highlighted an appetite for information and services in the tourism and travel sectors for people with disability, particularly in the domestic market. As this appetite grows, the industry will need to adapt and cater to accommodate these travellers.

Despite technological advances, travelling with a disability remains complex. Accessibility needs are diverse and highly influenced by the specific nature of disability. As such, a range of areas were raised as problem areas for consumers with different types of disability. Interviews revealed that people with disability are incredibly resourceful and creative in planning and undertaking travel. The major concerns raised were not around the travel itself but in being able to independently plan travel with relative ease.

Availability of information

Advocates and researchers all cited availability of information as a problem for people with disability travelling. Very little information is available to consumers with a disability at the time of booking and

information (sometimes including photos and measurements) often needs to be obtained through a customer service agent by email or over the phone.

Those with more a complex disability said that information is often shared in informal networks such as on Facebook, LinkedIn, blogs and by word of mouth, instead of via traditional travel networks like through travel agents or on hotel websites. Information shared includes good hotels and providers, operators and service providers both in Australia and overseas. However, this is problematic for travellers with temporary disability or accessibility needs who may not have access to these networks. This group could include young parents with prams, those with temporary illness or injury, or 'grey nomads'.

Due to a lack of consolidated information for people with disability, many operators and accommodation providers in the industry may be missing out on business by not engaging with the disability community. A way of consolidating available information on services and products for people with disabilities in the tourism and travel sector should be investigated.

Technology and disability in the travel sector

Online booking

Online booking can be difficult to tailor and may also lack the necessary information for people with disability to make an informed choice.

Advocates in the Deaf community cite problems with airline online booking processes. When ticking an accessibility box during the process the consumer is asked to contact the airline by phone – impractical for people who are Deaf or hard of hearing.

Overly complex booking processes can also be difficult for blind or visually impaired consumers. The most problematic elements identified in online booking processes with screen reader technology were:

- Untagged images
- Missing names in form fields
- Drop-down boxes working incorrectly

Blind or visually impaired consumers then may have to complete or start a booking by phone, which is time consuming and can subject the consumer to extra booking fees. Airlines and cruises have the most complex and poorly designed booking processes.

It can also be difficult to see availability for accessible rooms in all hotels. A detailed, consolidated list of accommodation that caters for people with disabilities and accessibility needs would be incredibly valuable for the community.

Travel and tourism apps

There are many exciting technological developments across the disability sector to assist people with disabilities. Many of these apps will link in with the NDIS, assisting people to find service providers in areas other than their home suburb or region. This will allow more people with disabilities to travel domestically.

Some apps that contain disability-specific information within the travel and tourism sector have been set up but subsequently were not updated or lost funding and were removed from app stores. This loss of information and service to consumers is concerning, and efforts to sustain any built databases should be a priority for the sector.

Travel insurance – coverage and claiming

Stakeholders indicated that mental health coverage and travel insurance remains a significant concern. A roundtable on travel insurance and mental health was held early in 2016 to discuss difficulties around coverage. Stakeholders would like to see better protection for people with mental health conditions who need to take out travel insurance.

Pre-existing conditions remain an area of complexity for the community, with CHOICE receiving a number of enquiries relating to coverage for those with pre-existing mental health and physical conditions that made it difficult for the traveller to secure insurance.

Smartertraveller has highlighted this issue by publishing advice and content on travellers with mental health concerns, as well as providing general advice and directing travellers to purchase insurance.²

² <http://smartertraveller.gov.au/guide/all-travellers/health/Pages/mental-health.aspx>

Organisational attitudes

Disability advocates gave mixed reviews on organisational attitudes across the industry. The best attitudes are found in industries and organisations that have heavily invested in training for their staff. Onboard airline staff are highly regarded; however, the quality of care when boarding and disembarking a plane was variable between airlines and airports.

People with complex needs stressed that good experiences are strongly linked to the goodwill of individual managers or venues or operators with an emphasis on customer service. This can be a good experience for the consumer, where they receive personalised and helpful customer service, or one where they are frustrated at the lack of information provided. More consistency is needed across industry to address this problem.

Regulation has also had a large impact on the way in which people with disability are treated while travelling, including through bilateral agreements and UN conventions. Service and care is best in areas that have a strong regulatory approach, such as the European Union and the USA.

2. Travel problems

Summary

- A sizeable proportion of the Australian travelling population continue to face consumer problems, with most reporting issues with flights.
- Consistent with Phase 2, younger travellers are still more likely to state that they faced problems with various aspects of travel.
- A similar proportion of travellers report facing a major problem with domestic and international flights.

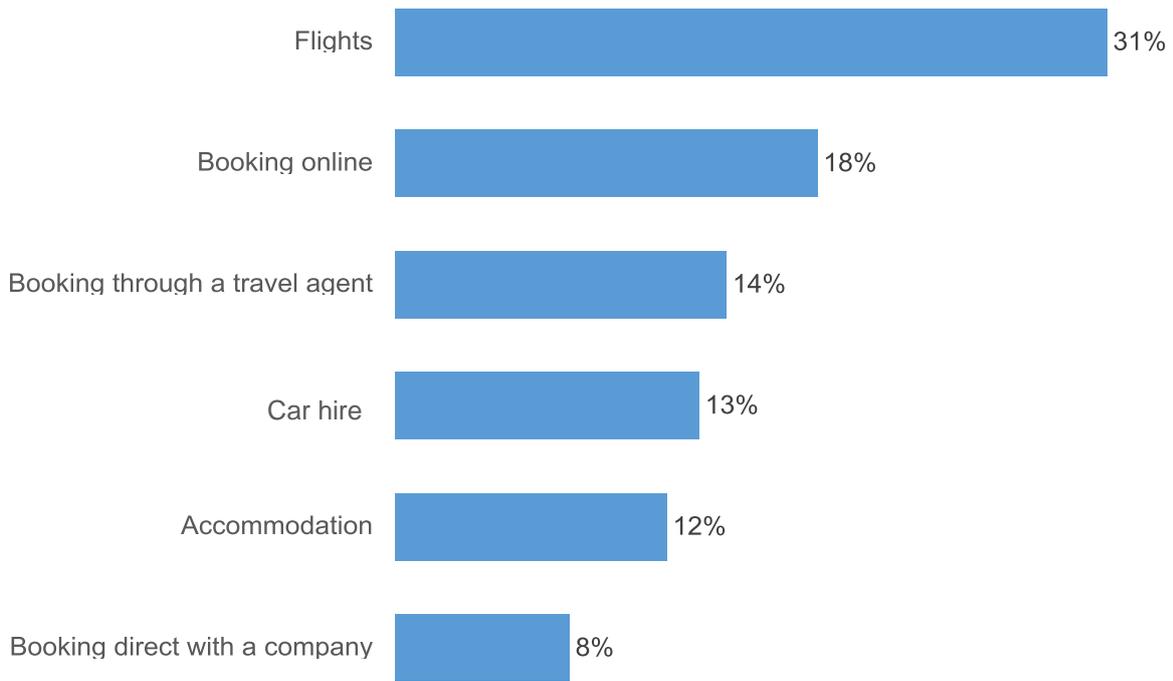
Key findings

- 45% of respondents experienced a travel problem in the 12 months to July 2016. This was slightly down on the 53% of Australian travellers who said they had faced a consumer travel problem, either domestic or international in the 12 months to July 2015.
- Flights were the area of most concern with almost 1 in 3 (31%) experiencing a problem with a flight in the 12 months to July 2016. This was slightly down on Phase 2, where 38% of travellers were most likely to face issues with flights.³
- 51% of Gen Y reported encountering problems when travelling. Issues with flights (37%) were most common, followed by problems with booking online (23%) and with a travel agent (20%).
- Travellers with children under five are significantly more likely to have experienced a problem with hidden fees and charges than those with older children.
- Passengers also experienced travel problems with booking online (18%), car hire (13%), accommodation (12%), booking through a travel agent (14%) and booking directly with a company (8%).

³ Recollection of problems experienced appears to have a recency bias where those who have travelled in the last 6 months are more likely to report problems than those who returned more than one or two years ago.

Supporting charts

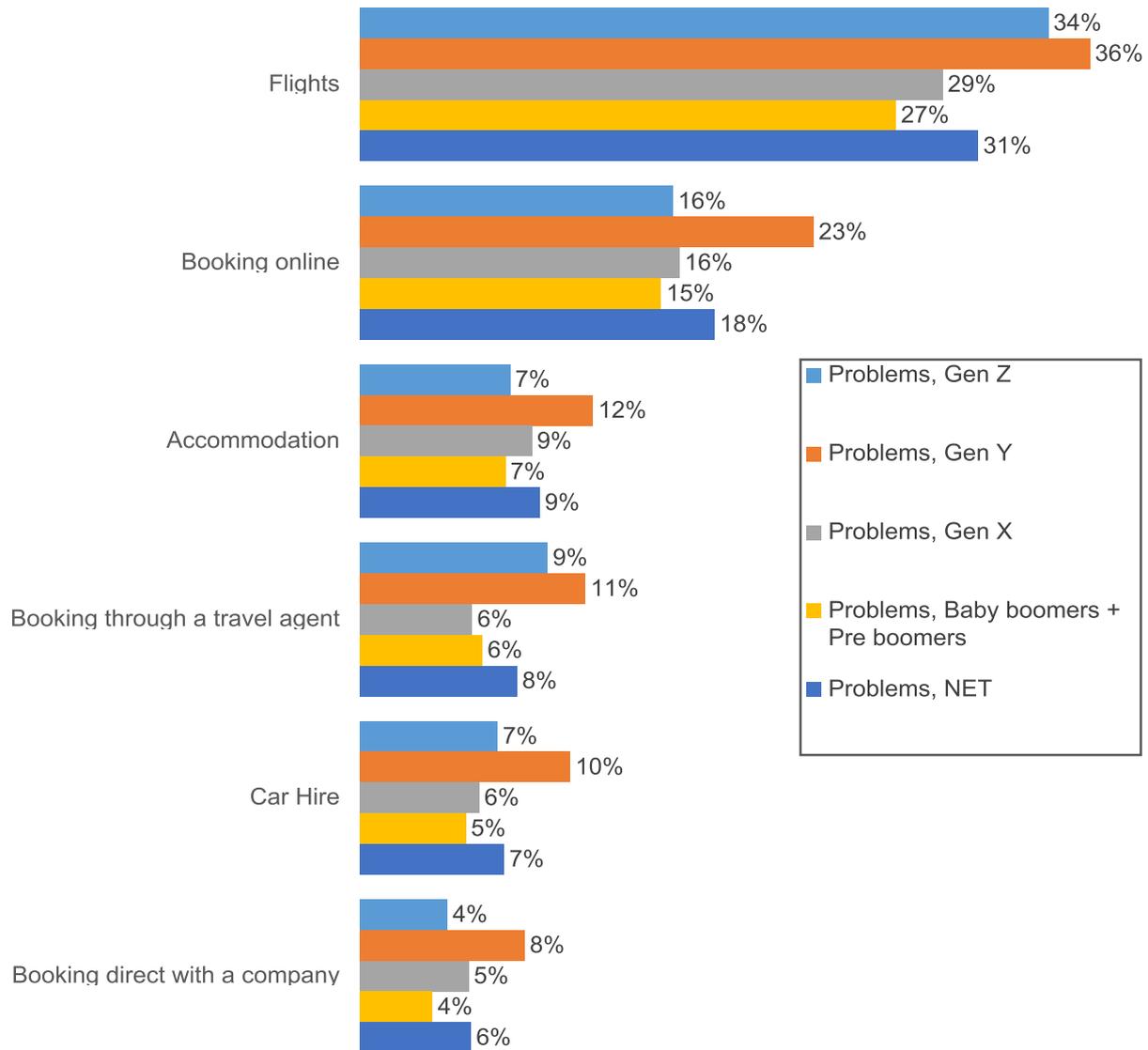
D1. Travel problems with domestic or international holiday booked in last 12 months



Base total n=2500

Q: Have you experienced any problems with either your domestic or international holidays booked in or out of Australia, in the past 12 months?

D2. Travel problems with domestic or international holiday by generation



Base total n = 2500

Q: Have you experienced any problems with either your domestic or international holidays booked in or out of Australia, in the past 12 months

3. Flight problems

Summary

- Almost one in three reported a problem with a flight in the last 12 months.
- Looking at people who had reported a problem with a flight, there's been a marked increase in experiencing delays and cancellations and an increase in the percentage of people reporting no action taken by the airline when they experience a delay.
- Delays and cancellations were reported as problems by those that flew all major domestic airlines, with Jetstar and Tigerair customers reporting the highest incidence.
- Airlines are unlikely to take any action in the event of a delay of less than two hours. 64% of those that experienced a delay of up to two hours reported there was no action taken by the airline.

Key findings

- Of the main problems experienced with flights in the last 12 months, almost three quarters (73%) were delays and cancellations.
- 22.6% of *all travellers* experienced a problem with delays and cancellations.
- According to data collected by the Bureau of Infrastructure, Transport and Regional Economics, 15% of domestic flights in 2015 either failed to leave on time, or arrived late. The worst performer was Jetstar, owned by the Qantas Group, with nearly one in four flights experiencing a delay.⁴
- The duration of flight delays endured by travellers has not improved in the last 12 months. More than half of delays (53%) are longer than two hours, up 5% from 12 months ago.
- 63% of survey respondents said that no action was taken by the airline when they experienced a delay, up from 52% in 2015. One in three said that the airline's response to their holdup was poor, very poor or terrible.

⁴ <https://www.choice.com.au/travel/on-holidays/airlines/articles/complane-tool-for-airline-delays-200616>

- Airlines are more likely to take action when there is a delay of more than 5 hours.
 - No action was taken by the airline for 94% of those delayed up to 5 hours.
 - One in five of those delayed by less than 2–5 hours were offered a meal voucher.

- Less than one in three (32%) travellers affected by flight delays were satisfied with the airlines response. Satisfaction with the airlines responses was directly related to the severity of the delay or cancellation and the response from the airline.
 - Dissatisfaction was highest (59%) from those who had their flight cancelled.
 - Those delayed by 2–5 hours were more dissatisfied (44%) than others with a longer delay of 6–12 hours. This can be attributed to a lack of response from the airline, with as many as 59% of those affected by a 2–5 hour delay reporting no action taken by the airline.
 - Virgin and Qantas customers are most likely to report being satisfied, with 34% and 33% rating the airline’s response as good or better. 29% of Jetstar and Tigerair customers were satisfied **with the airline’s response to delays**.

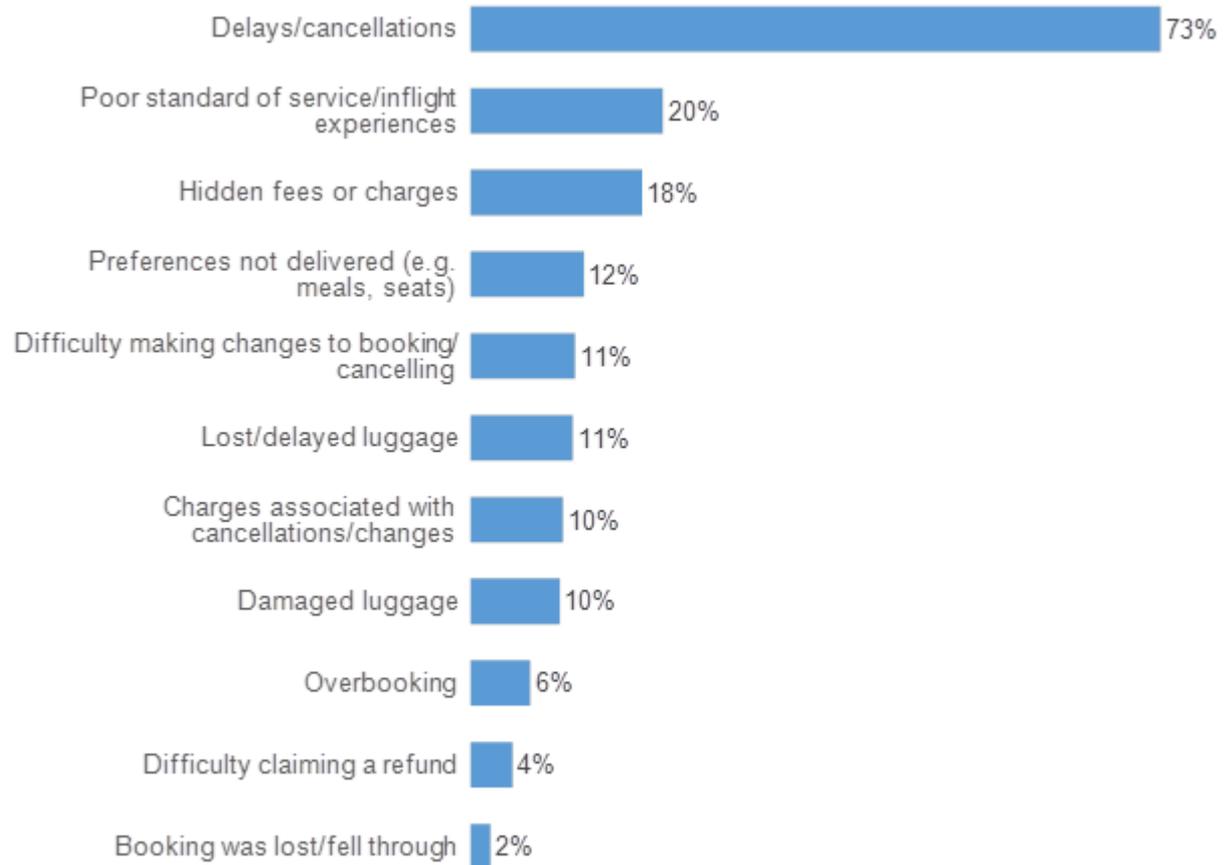
- In Phase 3 we asked whether the problem was a minor problem or a major problem. A major problem was defined as causing serious inconvenience or disruption, whilst a minor problem **was defined as one that wasn’t a serious inconvenience**.
 - 31% said they had problems with flight, including 8% saying it was a major problem and 23% saying that they only faced minor problems.

- Amongst those who experienced problems with flights in past 12 months, 27% reported a major issue on domestic flights, in comparison to 24% on International flights.

- Hidden fees or charges were mentioned by 18%, and 20% also stated that they faced poor standards of service/inflight experience.
 - Parents of children under five years of age are more likely to report problems with ‘Hidden fees and charges’ (33%), ‘Poor inflight experience’ (22%) and ‘Preferences not delivered (e.g. meals, seats)’ (19%) than those parents with school-aged children (16%, 15% and 10% respectively).

Supporting charts

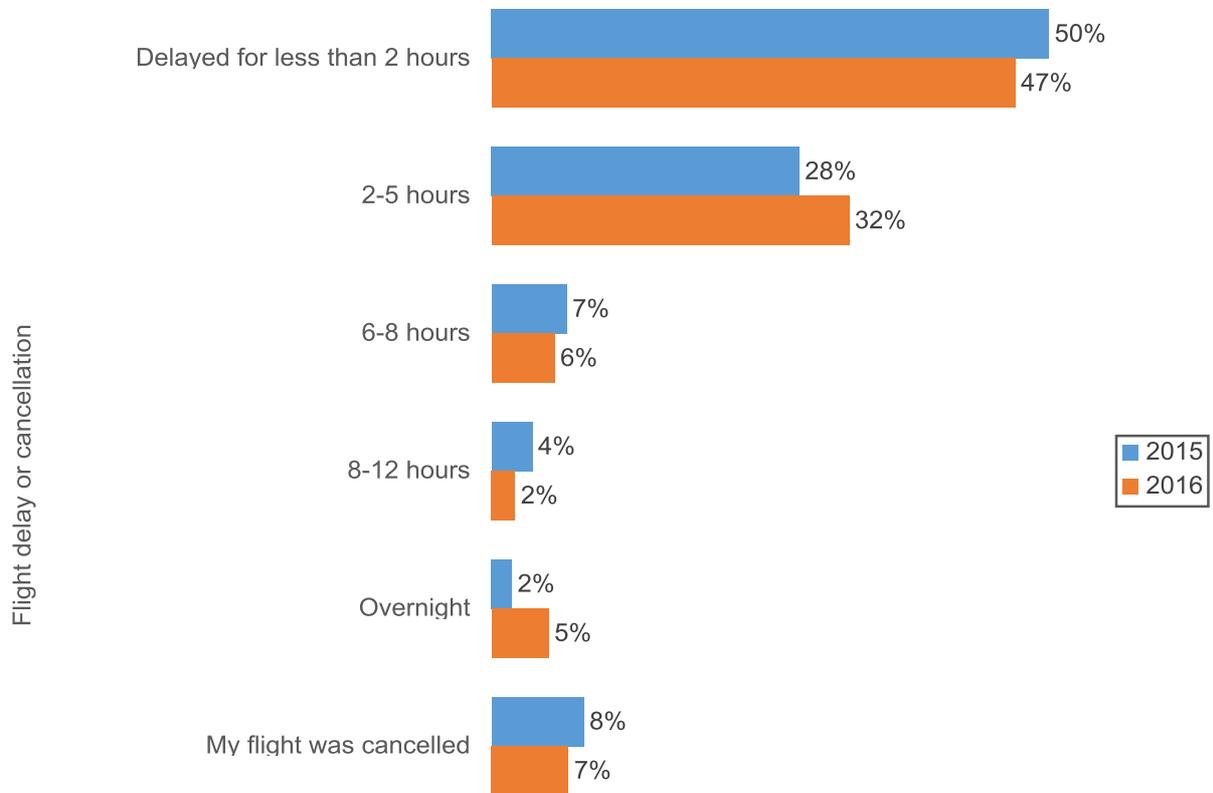
D3. Flight problems experienced in last 12 months



Base total n = 768 Australians

Q: What were the main problems you have experienced with flights in the past 12 months?

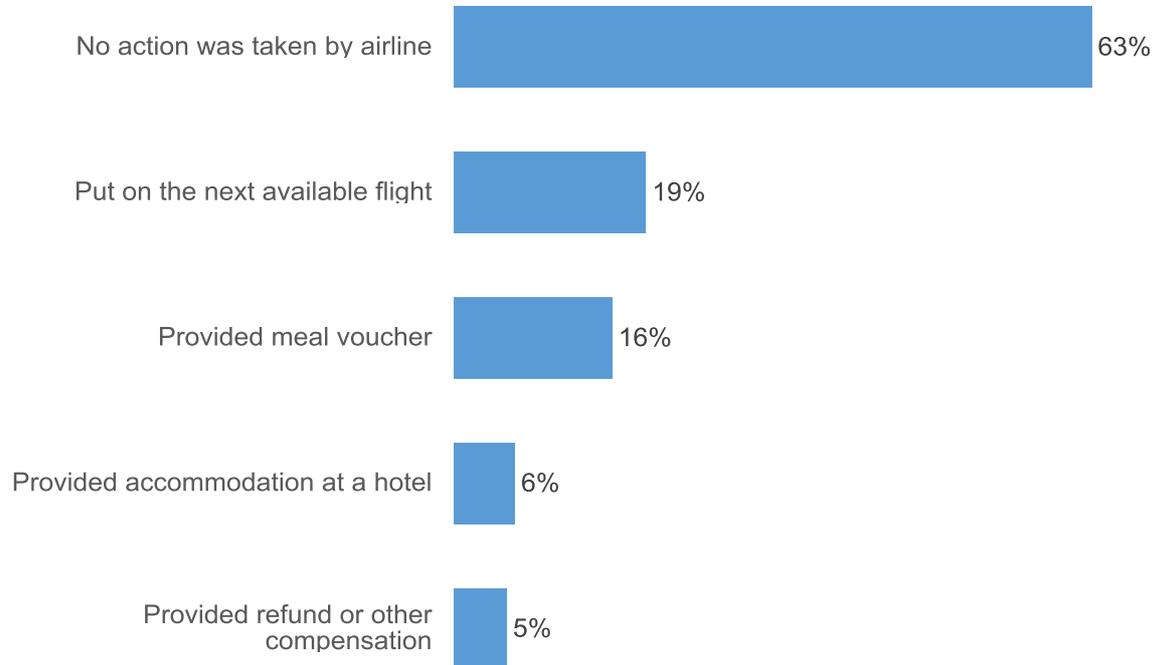
D4. Period of delay experienced



Base total n=882 Australians

Q: You mentioned that you have experienced a flight delay or cancellation in the past 12 months. How long was the flight delayed for?

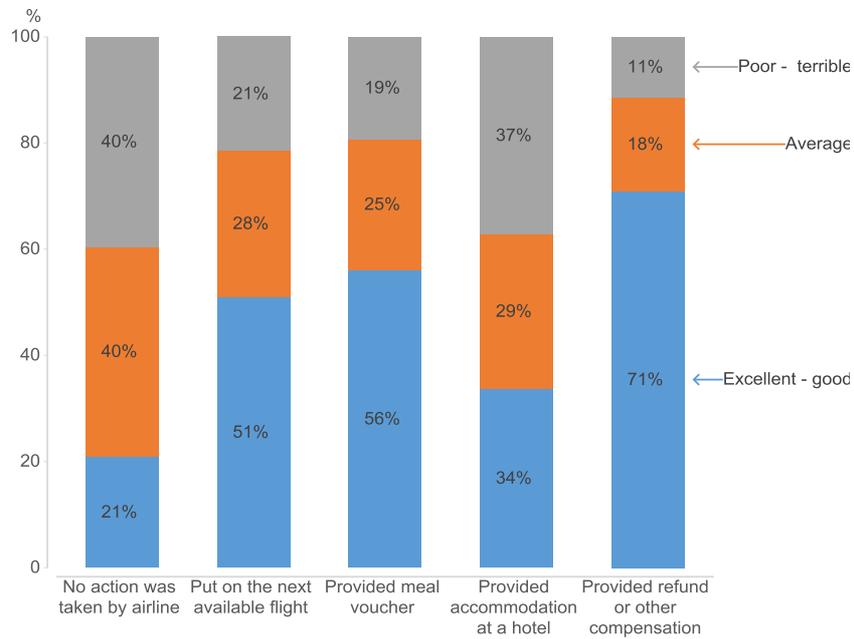
D5. Assistance provided for flight delays and cancellations



Base total n = 558 includes those who had experienced a delay

Q. What assistance were you provided by the airline when you experienced this delay?

D6. Satisfaction with assistance provided by airline for delays or cancellations



Base total n=558

Q: Overall, how satisfied were you with the airlines response on this occasion? by -. What assistance were you provided by the airline when you experienced this delay?

4. Domestic airline satisfaction

Summary

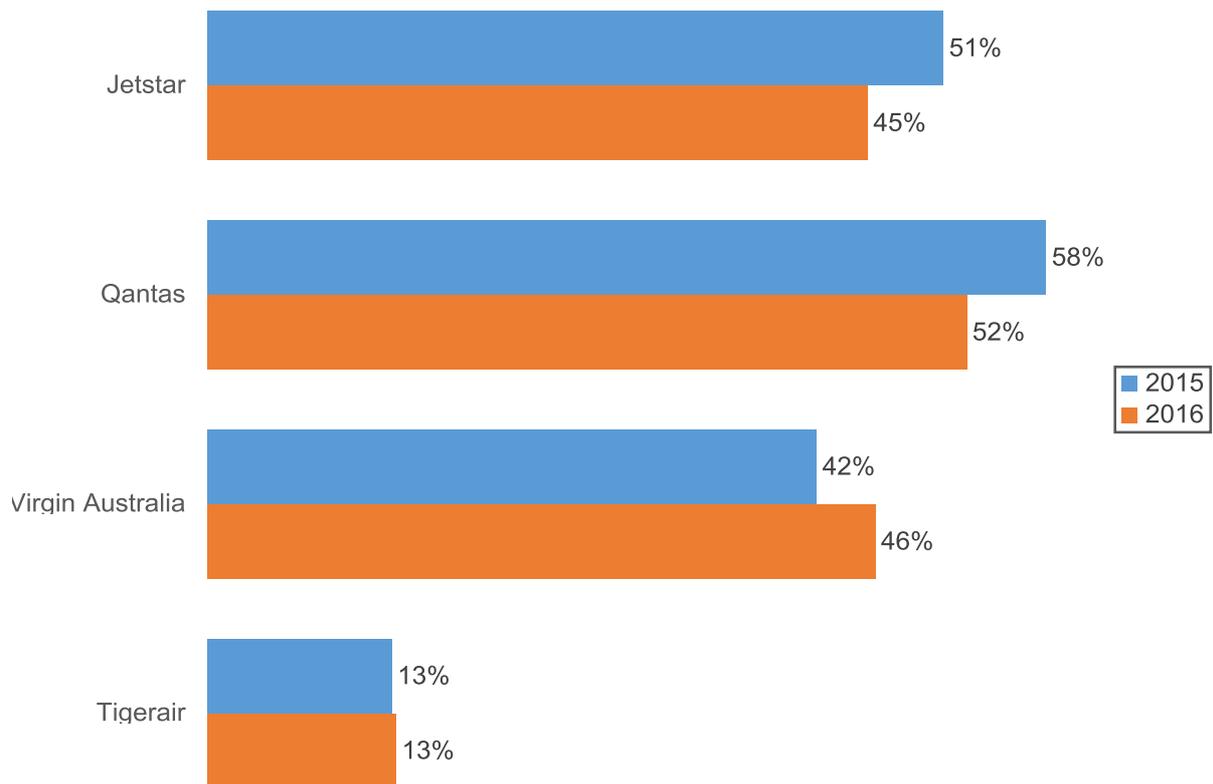
- Qantas was overtaken by Virgin Australia on overall positive customer service ratings.
- Virgin and Qantas passengers were more likely to have had a good experience than those that flew with Jetstar or Tigerair.
- Tigerair and Jetstar passengers continue to report greater levels of frustration with arrival and departure times than Virgin Australia and Qantas passengers.
- Tigerair received the lowest score for its punctuality and also the lowest overall satisfaction score among users.

Key findings

- 53% of respondents report flying Qantas domestically in the last 12 months. 46% Virgin Australia, 45% Jetstar and 14% Tigerair.
 - Gen Y are more likely to have flown Jetstar (51%) and Tigerair (20%) than baby boomers and pre boomers. Gen X are the most likely to have flown with Qantas (56%).
- Tigerair experienced the largest shift in passengers' perception of value for money, with positive ratings increasing by 15% from 2014/15 to a rating of 90% in 2015/16.
- Qantas remains relatively steady in the perception of value 68% but is rated behind the other major domestic airlines.
- 22% of Qantas passengers rate their overall **experience as 'excellent'** - significantly more than Jetstar (11%) and Tiger (10%).
- One in ten Jetstar passengers were dissatisfied with Jetstar punctuality.

Supporting charts

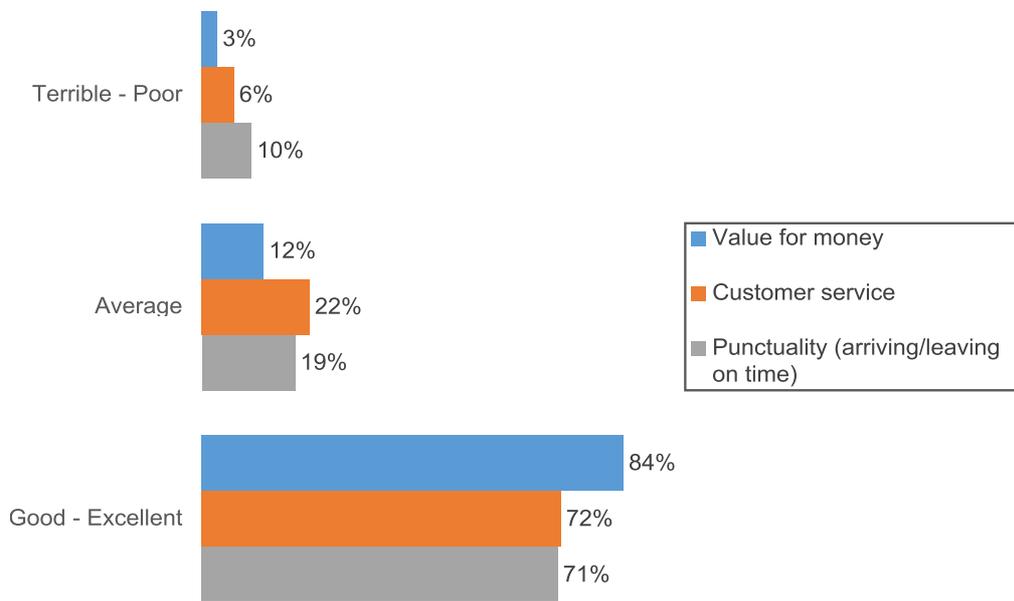
D7. Domestic airlines flown



Base total n = 4,017 total, 2015 n = 1,517, 2016 n = 2,500

Q: Which of these domestic airlines have you flown within Australia for personal reasons in the past 12 months? Please exclude any domestic flights taken for business travel?

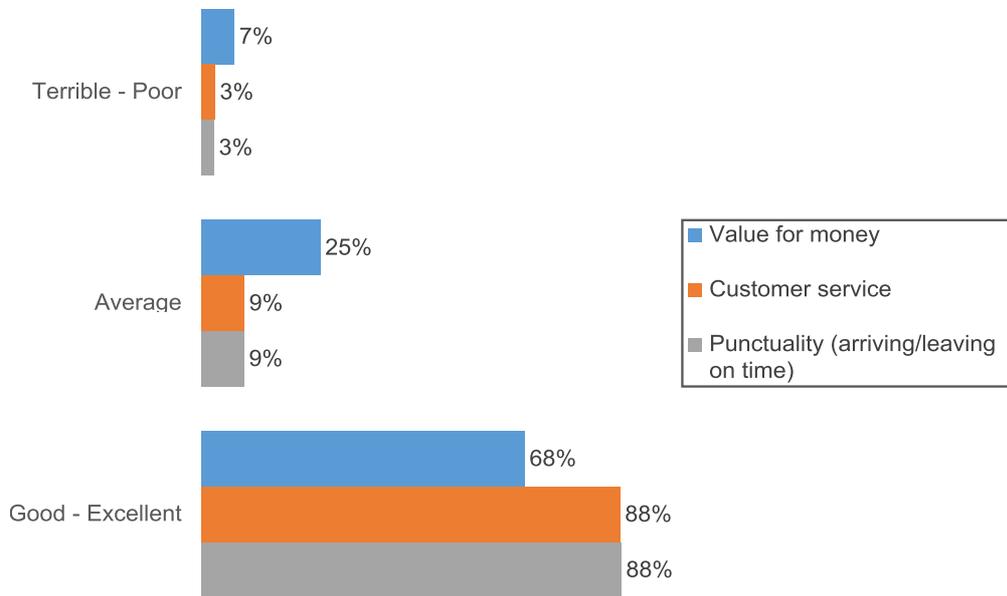
D8. Airline ratings - Jetstar



Base n = 1134

Q: Thinking about all the domestic flights you have taken with JETSTAR in the past 12 months, how would you rate them on the following aspects?

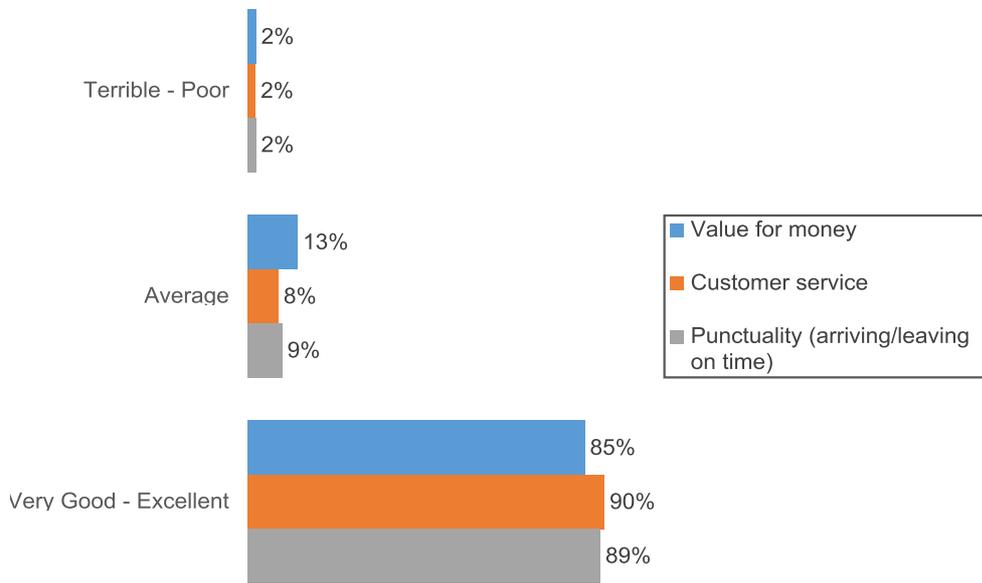
D9. Airline ratings - Qantas



Base n = 1304

Q: Thinking about all the domestic flights you have taken with QANTAS in the past 12 months, how would you rate them on the following aspects?

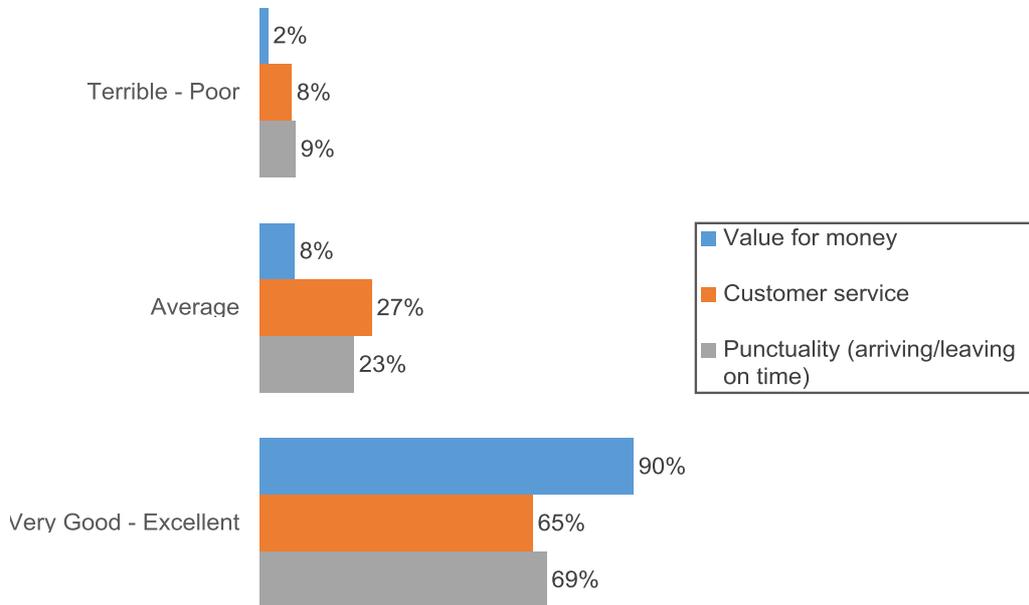
D10. Airline ratings - Virgin



Base n = 1147

Q: Thinking about all the domestic flights you have taken with VIRGIN AUSTRALIA in the past 12 months, how would you rate them on the following aspects?

D11. Airline ratings - Tigerair



Base n = 322

Q: Thinking about all the domestic flights you have taken with TIGERAIR in the past 12 months, how would you rate them on the following aspects?

5. Consumer protection

Summary

- Travellers expressed very low satisfaction with airlines' response to their problems/complaints, with only 38% of people who complained saying they were satisfied with the process.
- The key reasons for travellers choosing not to complain remains consistent with Phase 2, with the most likely reasons not to complain being that people doubt it will achieve anything, and there is a perception that the complaint process is a hassle.
- There remains a lack of awareness of proper complaint avenues/channels for some people.
- The satisfaction gap in terms of the airline complaint response process has not improved since Phase 2 – specifically in terms of the response consumers expect when they contact airlines, traveller protection laws in Australia in relation to domestic and international flights, and the rights of consumers engaging in dispute resolution with airlines.

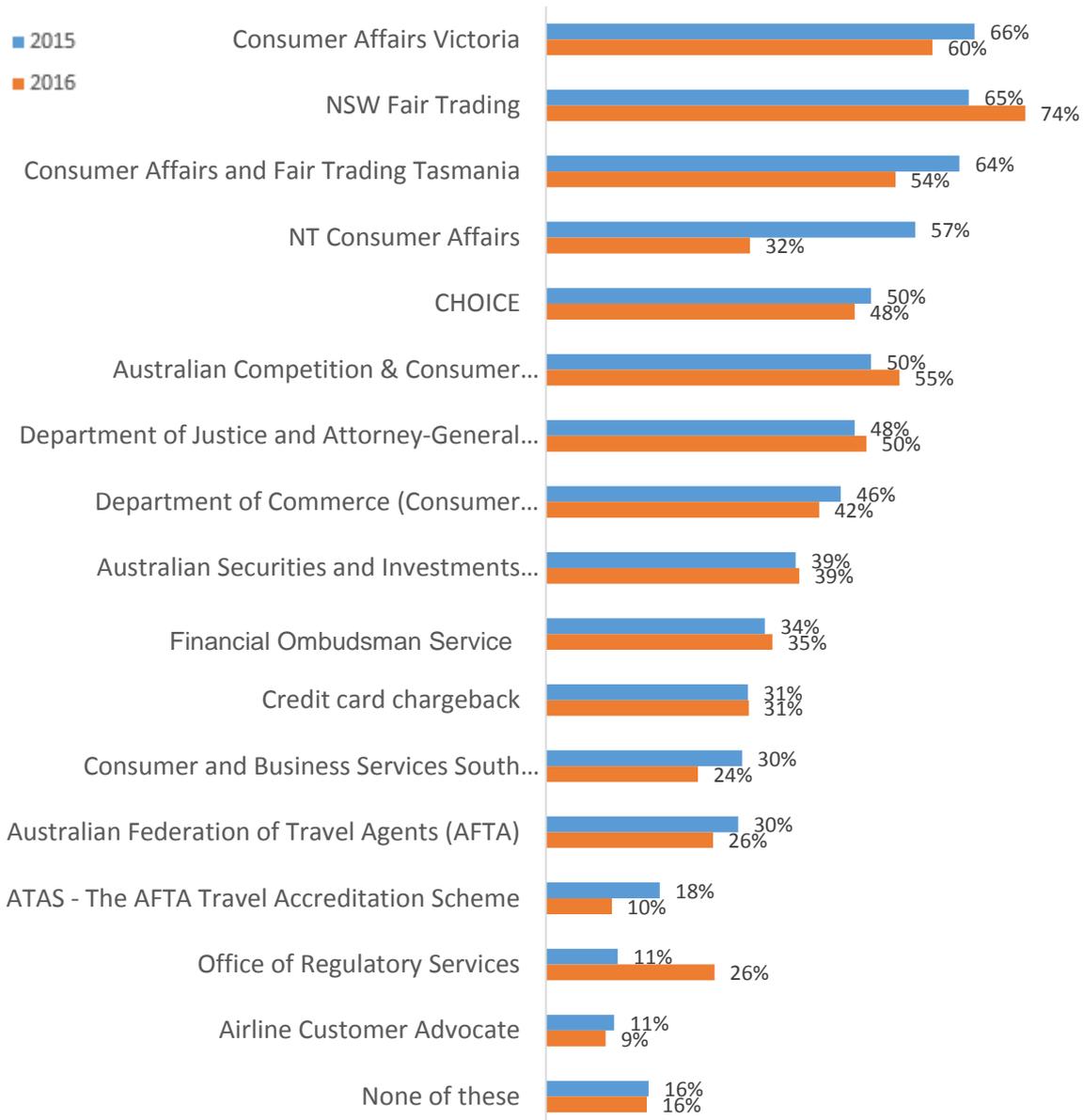
Key findings

- Levels of awareness of bodies and schemes remain at the levels recorded in Phase 2, with state bodies among the most recognised.
- 15% of those who had problems contacted airlines to complain about or resolve a travel related issue. 1% contacted the Airline Consumer Advocate, down from 7% in Phase 2.
- Hotels were contacted by 5% while 8% contacted travel agents for complaints or problem resolution.
- 39% of people who didn't complain said it was because they perceived it as too much effort, up from 27% in Phase 2.
- Among those who contacted any organisation for a travel problem:
 - Airlines had the lowest satisfaction rating with almost one in three (34%) rating the response as poor to terrible.
 - Half (45%) of those that contacted travel agents for travel related problems said they were satisfied with their response.

- Two in three (66%) of those who faced a travel problem in last 12 months **didn't** complain.
 - The key reason for not complaining is that 46% doubted it would achieve anything.
 - 11% **didn't know who to complain to.**

Supporting charts

D12. Prompted awareness of consumer protection bodies / schemes



Base total 2016 n = 2,500, 2015 n = 1,517

Q: Which of these were you aware of before today?

T2. Prompted awareness of consumer protection bodies – state bodies⁵

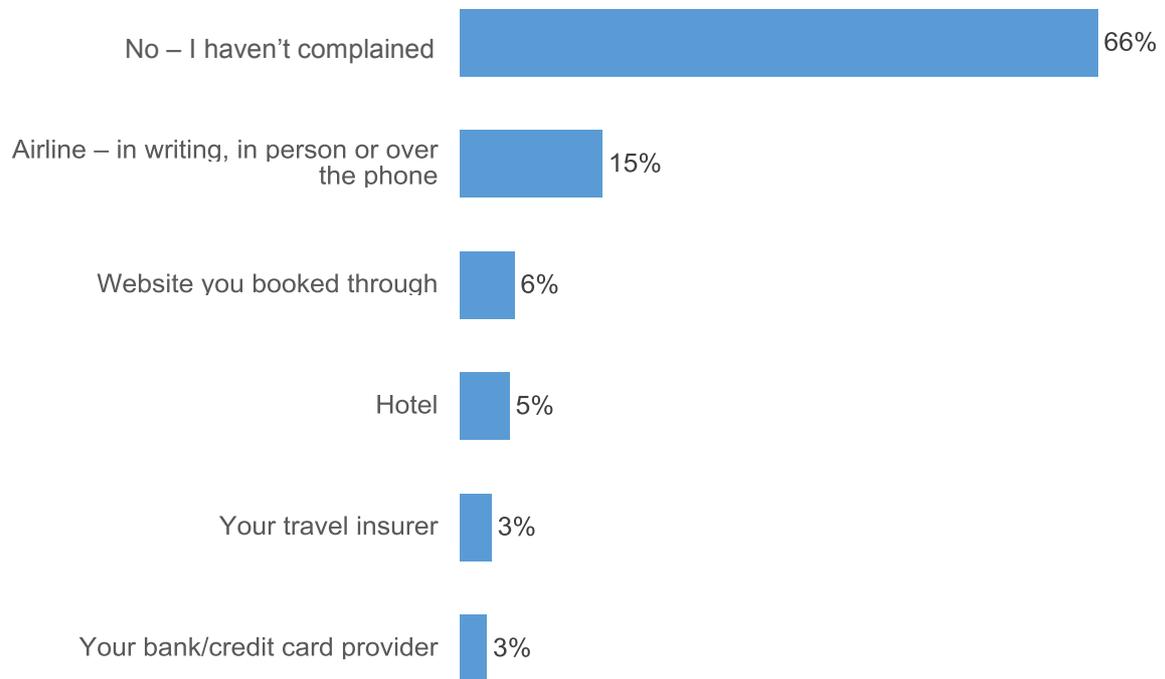
	2015	2016	n =
Office of Regulatory Services	11%	26%	12*
NSW Fair Trading	65%	74%	612
Department of Justice and Attorney-General Queensland (Office of Fair Trading)	48%	50%	246
Consumer Affairs Victoria	66%	60%	371
Consumer Affairs and Fair Trading Tasmania	64%	54%	33
NT Consumer Affairs	57%	32%	6*
Consumer and Business Services South Australia	30%	24%	44
Department of Commerce (Consumer Protection) Western Australia	46%	42%	104

Base total 2016 n = 2,500, 2015 n = 1,517

Q: Which of these were you aware of before today?

⁵ *Caution, results are indicative only due to low base size

D13. Organisations contacted to complain in the last 12 months⁶



Base total n = 1128

Q: Have you contacted any of the following organisations to complain about or resolve a travel related issue in the past 12 months?

⁶ Others were not displayed due to low base sizes.

T3. Satisfaction with response by organisation contacted in the last 12 months⁷

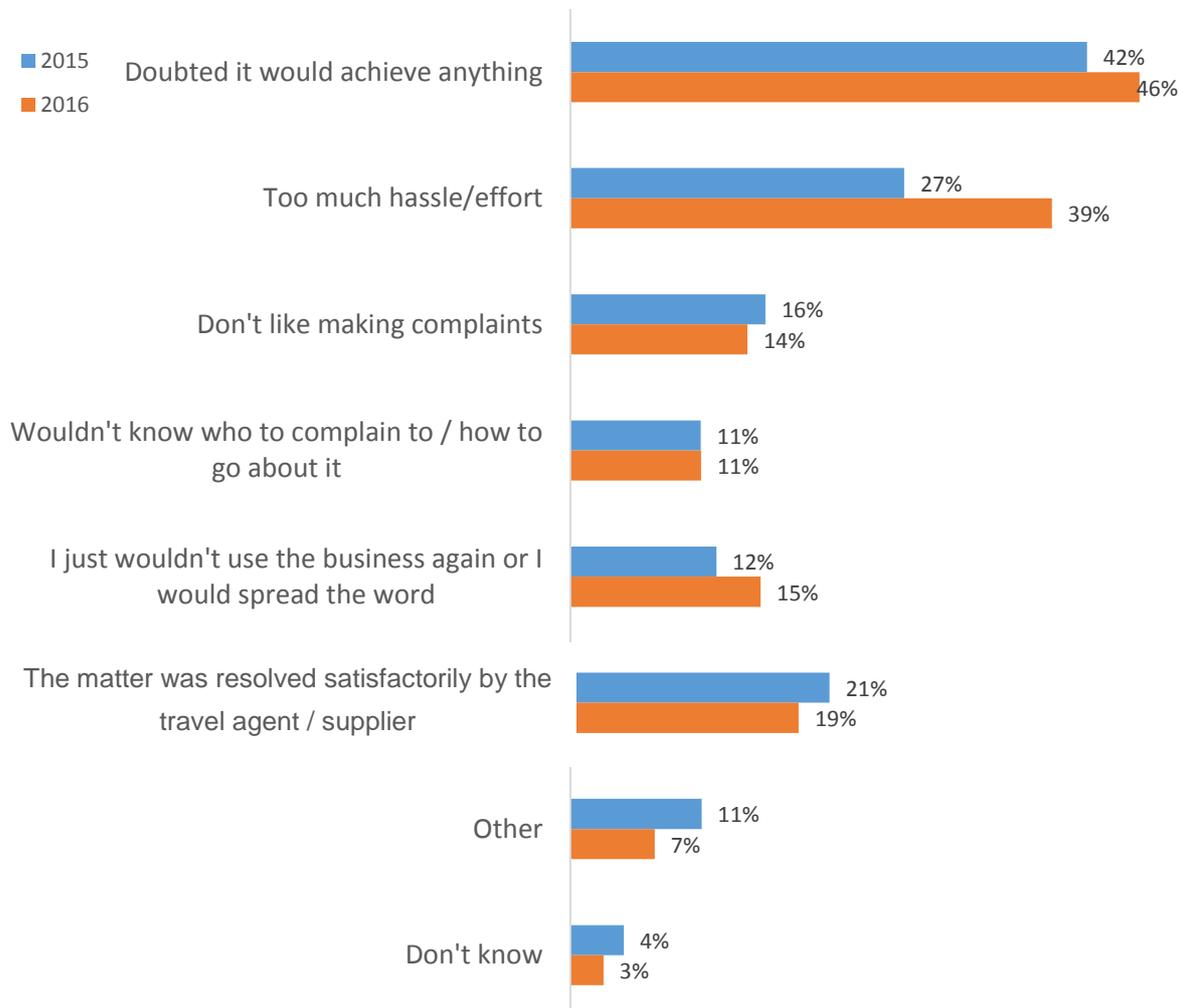
Organisation %	Excellent - Good	Average	Poor - Terrible	I am yet to receive a response	n=
Your bank/credit card provider	76%	17%	3%	3%	29*
Hotel	53%	24%	20%	4%	51
Website you booked through	46%	32%	19%	4%	57
Travel agent	45%	33%	19%	3%	91
Your travel insurer	49%	26%	26%	0%	35
Airline	38%	22%	34%	6%	160
Car hire companies	39%	39%	18%	3%	33

Base n = 29 to 160

Q: How satisfied were you with the response you receive from X

⁷ *Caution, results are indicative only due to low base size of n = 29.

D14. Reason for not complaining to an organisation despite facing a travel problem



Base total n = 1170

Q: You mentioned that you didn't make a complaint, which of the following best describes why you did not complain

6. Travel insurance

Summary

- Take-up of travel insurance remains steady over the past 24 months with more than three quarters of international travellers taking up some form of travel insurance.
- Younger travellers continue to be less likely than those aged over 50 to take up travel insurance.
- Travellers aged 18 to 35 years are more likely than older travellers to get their travel insurance directly from insurers, while those aged over 65 are more likely to be covered by the insurance provided on their credit card.
- People based in regional or rural areas are more likely to acquire travel insurance through a travel agent.
- Alarming, more than half (59%) assume that their travel insurance covers for insolvency or bankruptcy of travel agents or providers – however, less than a third of travel insurance policies actually provide this cover.

Key findings

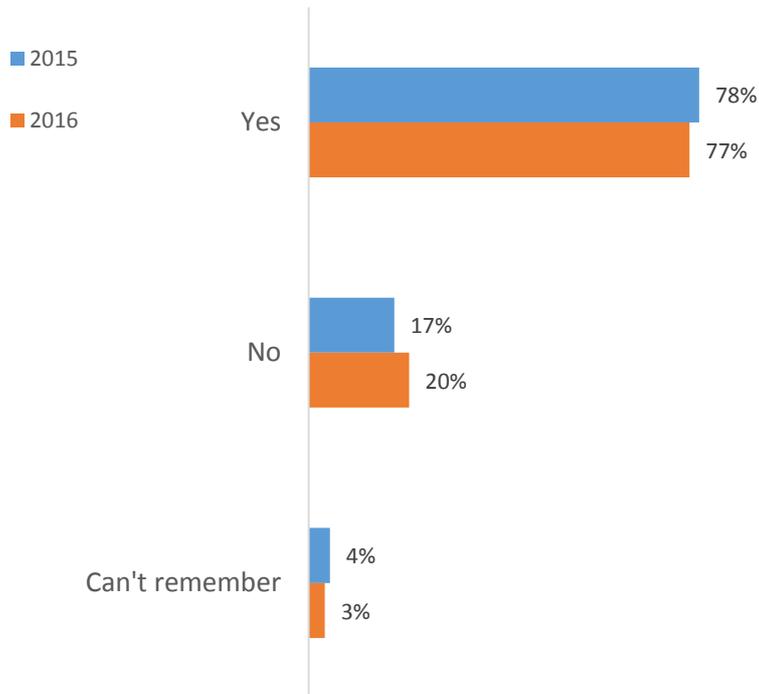
- The majority (77%) of Australian travellers took out travel insurance for their last international holiday. This was in line with the Phase 2 result of 78%.
 - Female travellers (81%), baby boomers and pre-boomers (87%), are more likely to have taken out travel insurance during their last international holiday.
 - However, 21% of travellers didn't take travel insurance for their last international holiday. Gen Z (30%) and Gen Y (27%) travellers were less likely to take travel insurance for their last international holiday, compared to those over 50. This was consistent with Phase 2, where younger travellers were significantly less likely to have taken out travel insurance.
 - Travellers who used a travel agent were more likely to have taken travel insurance (84%) than those who didn't use an agent (72%).

- Travellers are most likely to purchase travel insurance policies from an insurance company (42%), followed by travel agents (21%) and cover provided with credit cards (17%).

- When asked if their travel insurance covered for bankruptcy or insolvency of the travel agent or travel operators, almost six out of ten (59%) people who took out a travel insurance policy answered 'Yes' or 'Assume so but not so sure'.
 - 36 out of 115 policies covered insolvency for a 'travel operator' in the October 2016 CHOICE review while one travel insurance product covered insolvency for a travel agent and two products covered **insolvency for a specified list of 'wholesale travel agents'**, so it's highly unlikely all of the 59% were actually covered for insolvency.
 - Those who purchased travel insurance through a travel agent were less likely than those who purchased elsewhere to say that their cover did not include bankruptcy and insolvency of the travel agent or the travel operator.

Supporting charts

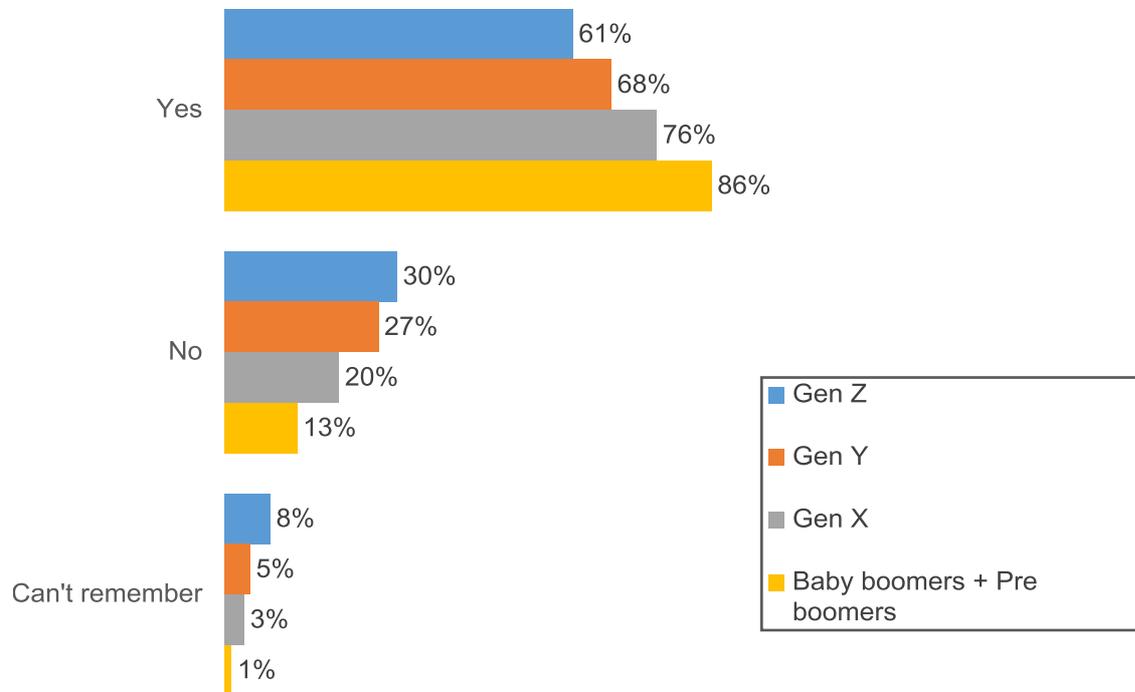
D15. Travel insurance taken for an international holiday



Base total n = 4,017 total, 2015 n = 1,517, 2016 n = 2,500

Q: Thinking about your last international holiday, did you take out travel insurance?

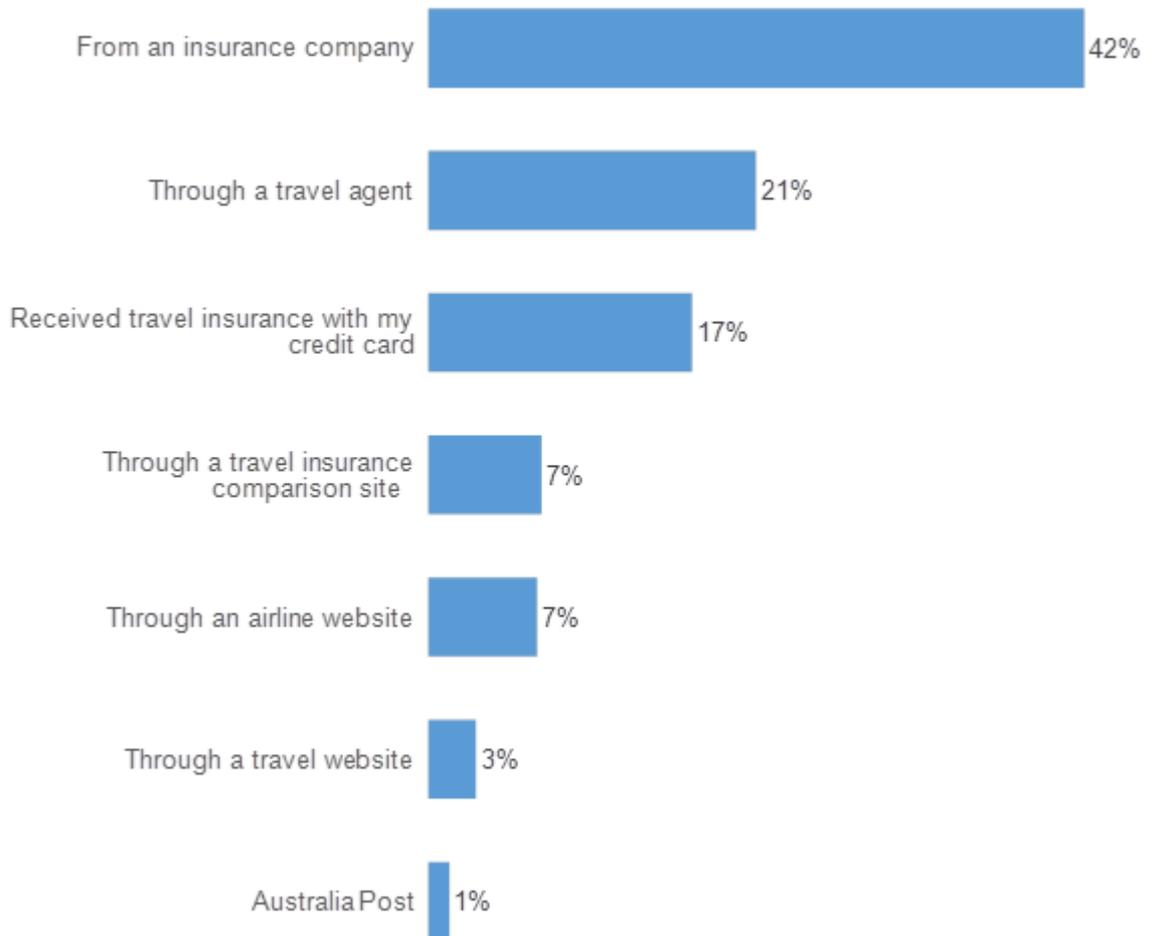
D16. Travel insurance taken for an international holiday by generation



Base n = 2,419. Gen Z = 148, Gen Y = 759, Gen X = 554, Baby and Pre boomers n = 958

Q: Thinking about your last international holiday, did you take out travel insurance? By Age Group

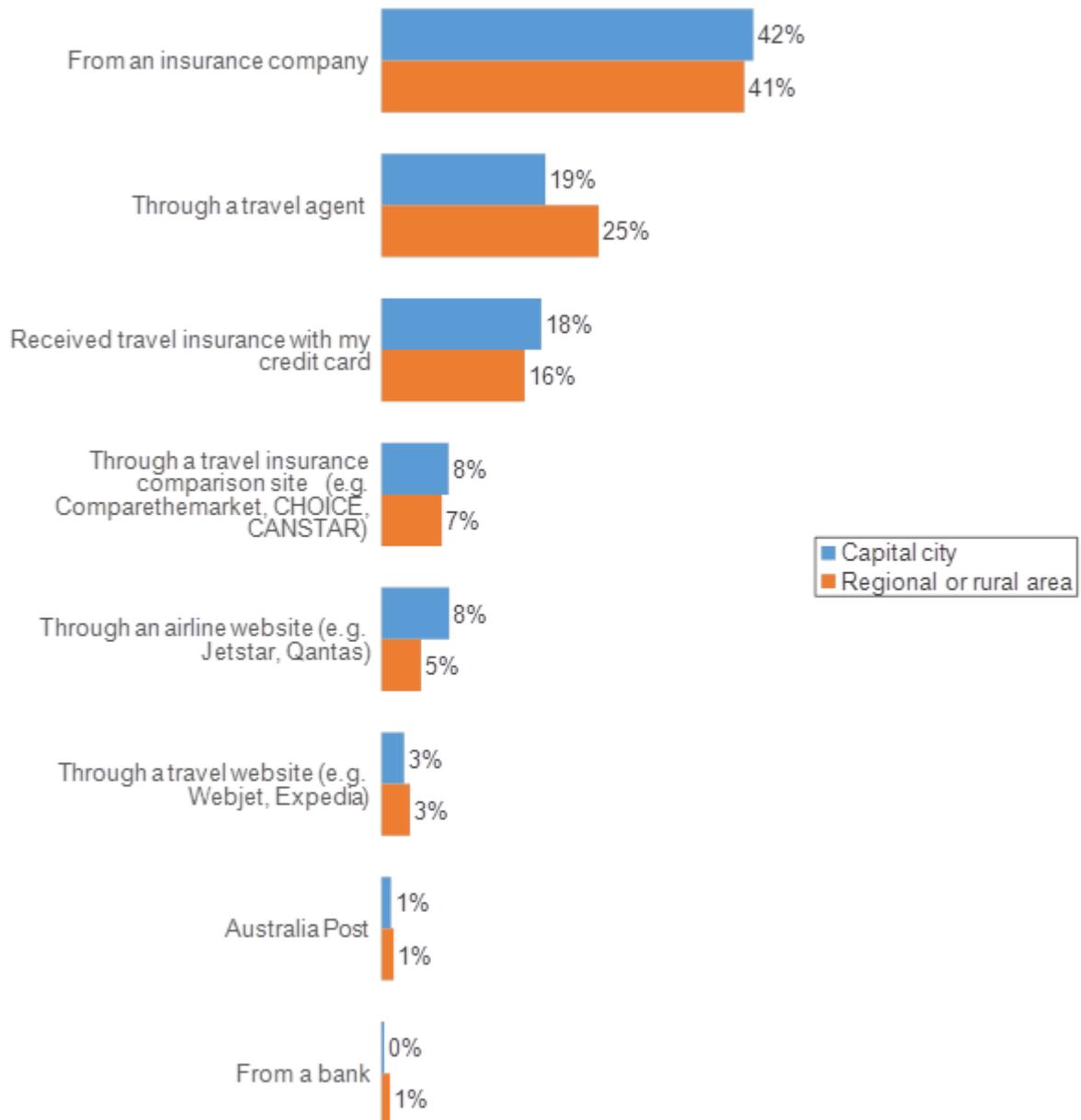
D17. Travel insurance purchased through



Base total n = 1914 Australians

Q: Who did you purchase your travel insurance from on this occasion?

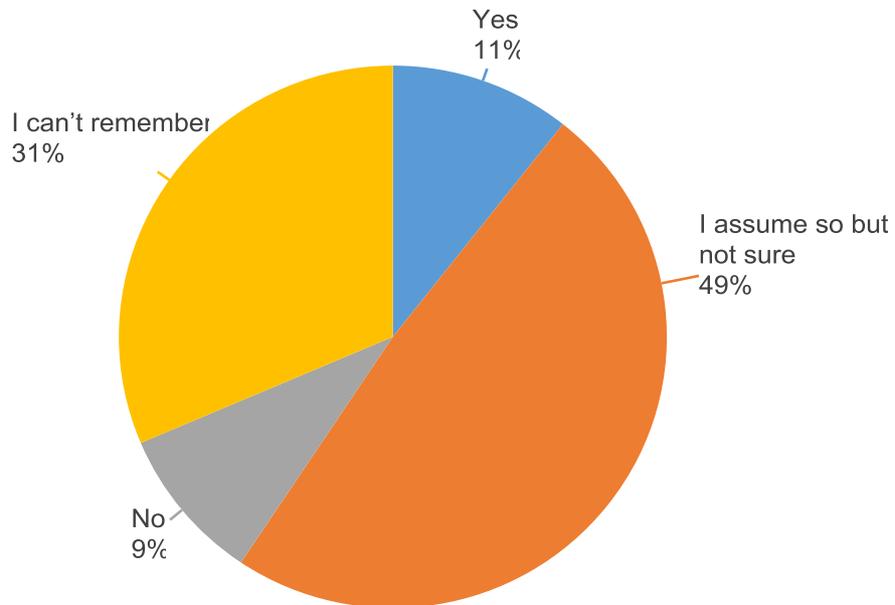
D18. Travel insurance purchase by location



Base total n = 1914 Australians

Q: Who did you purchase your travel insurance from on this occasion?

D19. Cover for bankruptcy and insolvency



Base total n = 1914

Q: Did the travel insurance policy cover you for bankruptcy and insolvency of the travel agent or the travel operators?

7. Travel agents

Summary

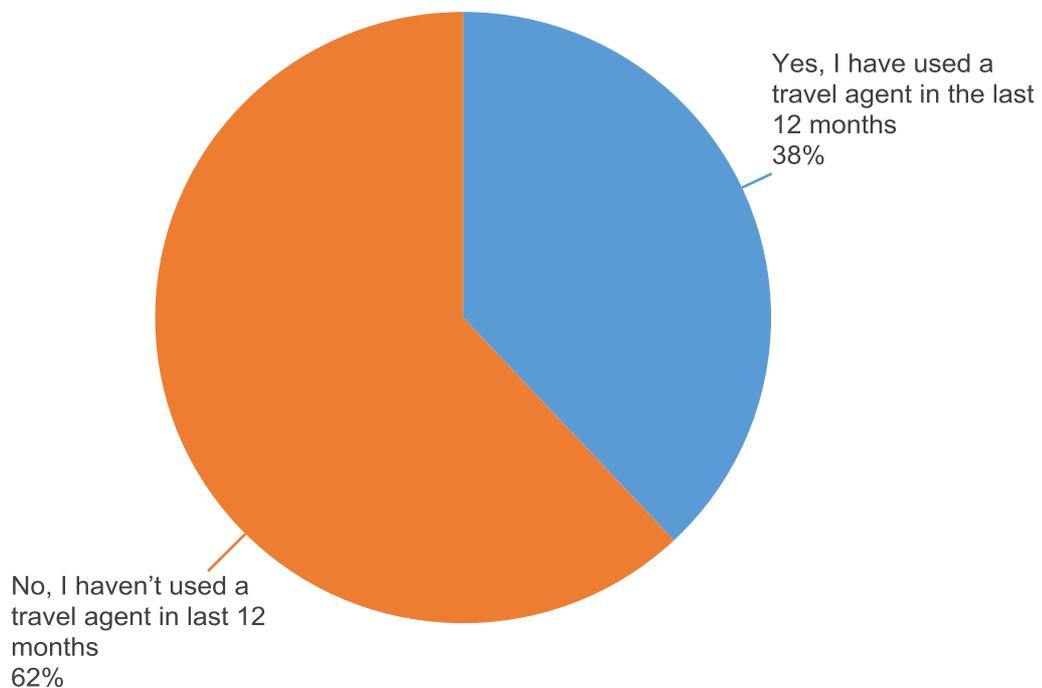
- Reported use of a travel agent to book a holiday dropped, but travel agents continue to be used by over a third of the Australian population. Older Australians are more likely to book their travels using travel agents than Gen Y.
- Credit cards were the main method of payment, used by 6 out of 10 respondents. Men were more likely than women to use their credit cards to pay their travel agent, yet more than half of women (55%) used their credit card.

Key findings

- 38% of travellers used a travel agent to book a holiday or aspects of their holiday in the last 12 months.
 - Those aged over 50 (baby boomers and pre boomers) are more likely to use a travel agent than those aged under 50.
 - Australian travellers who flew Qantas were more likely to have used a travel agent (56%) than those who flew other airlines.
- 58% of those who used a travel agent paid using a credit card. Debit cards were a distant second, with only 23% using them to pay a travel agent.
- Of those people that paid their travel agent using a credit or debit card, 70% are aware of credit card chargebacks – significantly more than those paying by debit card and cash.
- Australian travellers who used a travel agent in last 12 months were more likely to report facing a problem with car hire and/or accommodation.
- Australian travellers who used a travel agent are likely to have higher awareness of the Australian Federation of Travel Agents (AFTA) (31%) and ATAS (13%) and the Airline Consumer Advocate (12%), than those that did not use a travel agent.
- Those who have used a travel agent were more likely to have contacted any organisation to complain about or resolve a travel related problem.

Supporting charts

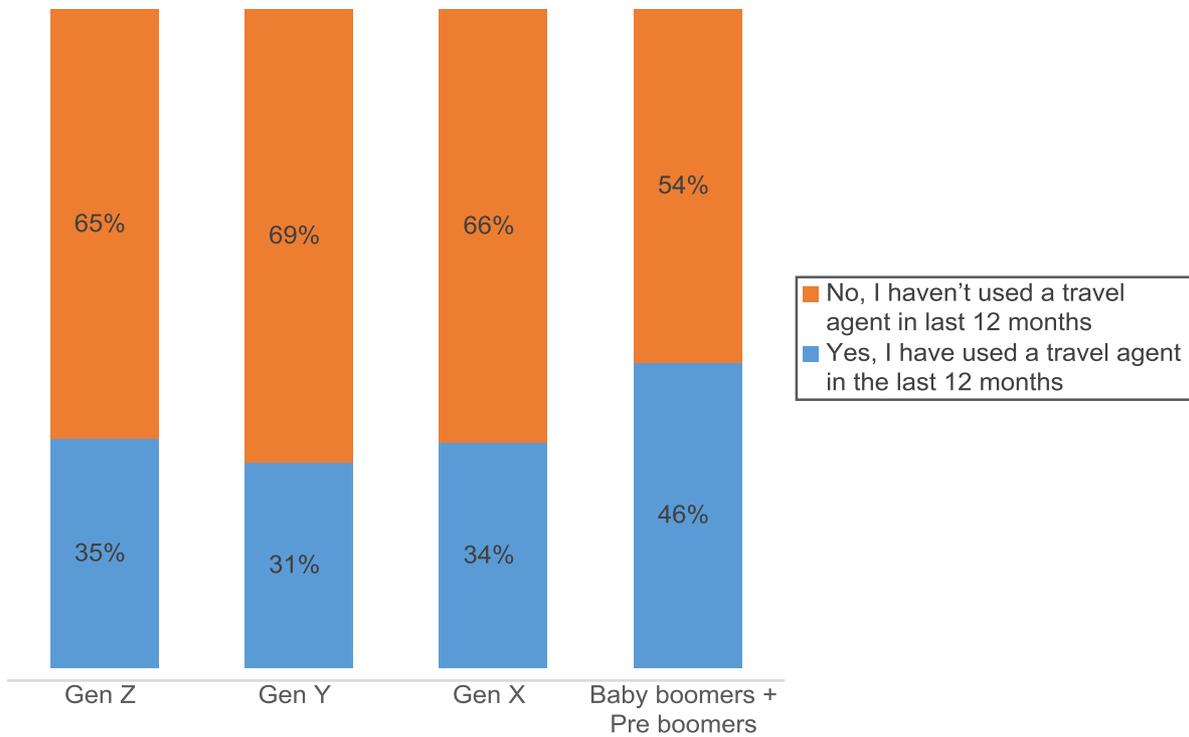
D20. Travel agent used in last 12 months



Base total n = 2500 Australians

Q: Have you used a travel agent to book a holiday or any aspects of your holiday in the last 12 months?

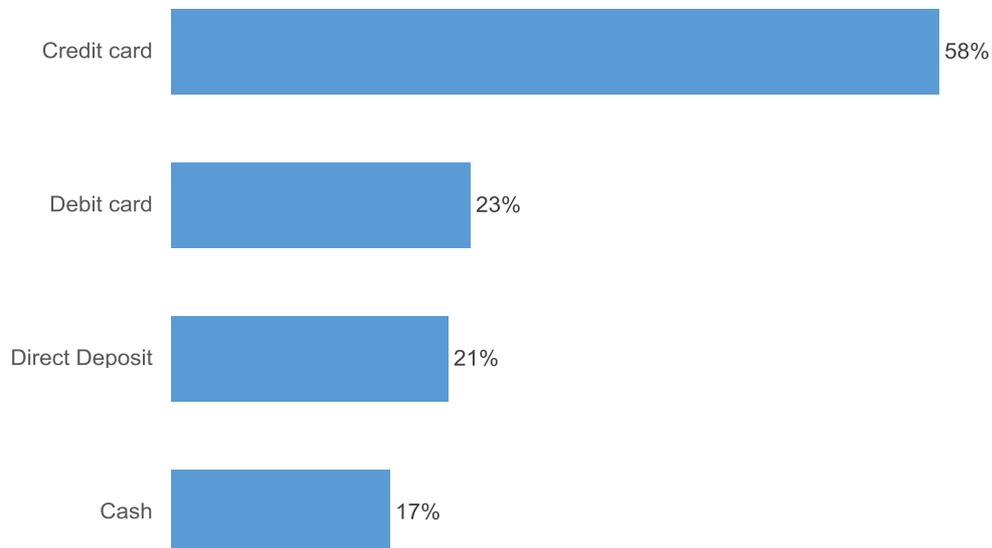
D21. Travel agent used in last 12 months by generation



Base total n = 2,500

Q: Have you used a travel agent to book a holiday or any aspects of your holiday in the last 12 months? (By age)

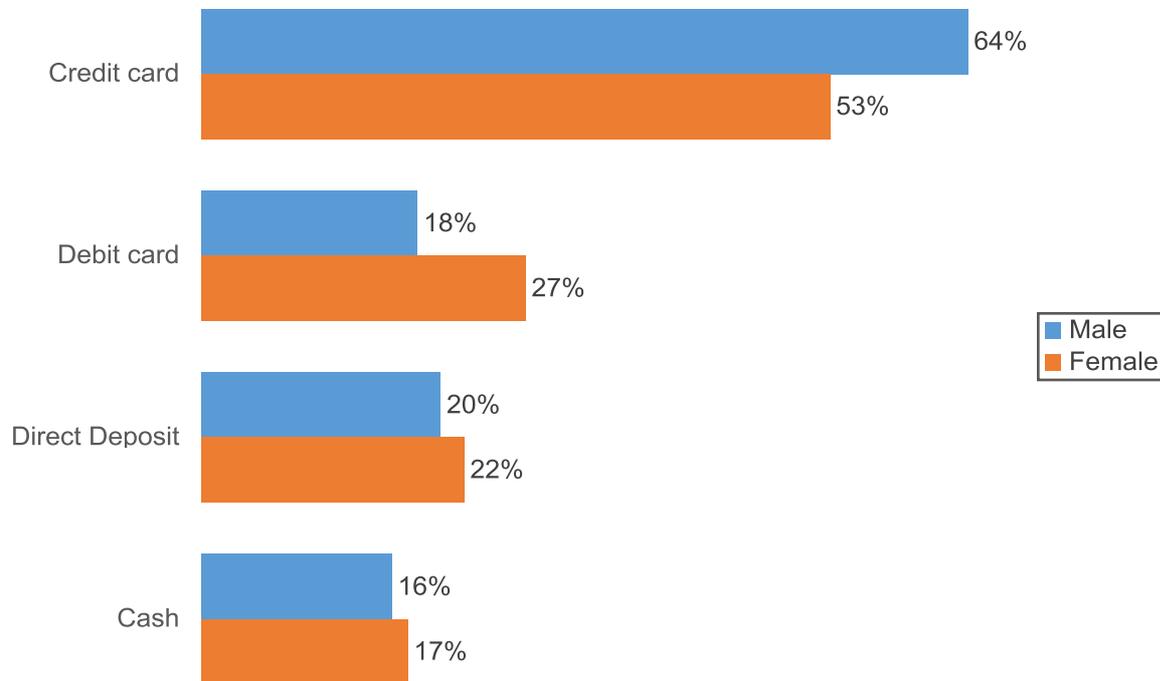
D22. Payment methods used



Base n = 950

Q. Which of the following payment methods did you use for your bookings with the travel agent?

D23. Payment methods used by gender



Base used credit card n = 950

Q. Which of the following payment methods did you use for your bookings with the travel agent? (By gender)

T4. Problems experienced by travel agent customers

Problem %	Yes a problem			No problems		
	Yes, I have used a travel agent	No, I haven't used a travel agent	n =	Yes, I have used a travel agent	No, I haven't used a travel agent	n =
Booking online	20%	18%	440	80%	82%	1932
Flights	30%	31%	767	70%	69%	1708
Car hire	16%	11%	179	84%	89%	1180
Accommodation	16%	8%	223	84%	92%	1701
Booking through a travel agent	18%	10%	195	82%	90%	1143
Booking direct with a company	10%	6%	138	90%	94%	1692

Q. Have you experienced any problems with either your domestic or international holidays booked in or out of Australia, in the past 12 months? by - Have you used a travel agent to book a holiday or any aspects of your holiday in the last 12 months? Base included in chart.

T5. Prompted awareness of consumer bodies by travel agent customers⁸

Organisation %	Yes, I have used a travel agent	No, I haven't used a travel agent	n =
CHOICE	48%	48%	1195
ATAS - The AFTA Travel Accreditation Scheme	13%	9%	255
Financial Ombudsman Service	34%	35%	876
Airline Customer Advocate	12%	7%	231
Credit card chargeback	33%	31%	784
Australian Competition & Consumer Commission (ACCC)	53%	56%	1368
Australian Federation of Travel Agents (AFTA)	31%	23%	646
Australian Securities and Investments Commissions	38%	40%	980
Office of Regulatory Services	38%	20%	12*
NSW Fair Trading	71%	76%	612
Department of Justice and Attorney-General Queensland (Office of Fair Trading)	53%	47%	246
Consumer Affairs Victoria	60%	60%	371
Consumer Affairs and Fair Trading Tasmania	54%	54%	33
NT Consumer Affairs	50%	27%	6*
Consumer and Business Services South Australia	21%	25%	44
Department of Commerce (Consumer Protection) Western Australia	38%	45%	104
None of these	13%	17%	390

Q. Bodies and schemes designed to protect Australian travellers, by - Have you used a travel agent to book a holiday or any aspects of your holiday in the last 12 months?

⁸ *Caution small sample size, indicative results only

T6. Organisations contacted to complain by travel agent customers

	No - I haven't complained	Travel agent	Airline	Website booked through	Hotel	Your travel insurer	Your bank / credit card provider
Yes, I have used a travel agent in the last 12 months	34%	84%	44%	40%	56%	58%	66%
No, I haven't used a travel agent in last 12 months	66%	16%	56%	60%	44%	42%	34%
n =	744	94	166	57	55	36	29

Q - Have you used a travel agent to book a holiday or any aspects of your holiday in the last 12 months? by - Have you contacted any of the following organisations to complain about or resolve a travel related issue in the past 12 months?

Appendix

Published research

CHOICE has published pieces of the research online:

Phase 1 research

Australian consumers in the travel market 2014: <https://www.choice.com.au/consumer-advocacy/policy-submissions>

Phase 2 research

Is it worth making a complaint about an airline: <https://www.choice.com.au/travel/on-holidays/airlines/articles/do-airline-complaints-work>

Domestic airline satisfaction survey: <https://www.choice.com.au/travel/on-holidays/airlines/articles/airline-satisfaction-survey>

CHOICE submission to the ATAS travel agent accreditation scheme: <https://www.choice.com.au/travel/general/advice/articles/atas-choice-submission-2015>

Australian consumers in the travel market 2015: <https://www.choice.com.au/consumer-advocacy/policy-submissions>

Phase 3 research

Australian Airline Industry Super Complaint: <https://www.choice.com.au/travel/on-holidays/airlines/articles/choice-lodges-airline-super-complaint-with-accc-061216>

Australian consumers in the travel market 2016: <https://www.choice.com.au/consumer-advocacy/policy-submissions>