

4.13 The Connétable of St. John of the Minister for Economic Development regarding pre-payment protection for travellers contained within the Service Level Agreement between the States of Jersey and Condor:

Within any permit or service level agreement between the States of Jersey and Condor, is there any protection for the public to cover prepayment to the shipping company for transport and travel, and if so, where are these funds held and who manages and controls them until the date of the client's travel?

Senator A.J.H. Maclean (The Minister for Economic Development):

As part of the ramp permit agreement between the States of Jersey and the ferry operator, Condor Ferries must publish information such as its terms and conditions of carriage in the form of a customer charter. This includes details of its operational provisions and effective management of passengers and their vehicles in the event of disruption or cancelled sailings. Therefore, there is no specific agreement with the States of Jersey with reference to refunds for delayed or cancelled sailings but the ramp permit does include the E.U. Regulation on passenger rights which Condor has agreed to adopt. If tickets are purchased through travel agents or tour operators, there are industry schemes to provide comprehensive protection. For tickets purchased directly, the monies are recoverable directly from the shipping company and assured through the solvency of that company. Therefore, prepaid tickets ticket funds are held by Condor Ferries as is the standard practice within the travel industry.

4.13.1 The Connétable of St. John:

Given that prepaid tickets which are purchased directly with Condor are held within the company, what safeguards are there within that company that in the event of the company going under, that that money would be returned to the clients?

Senator A.J.H. Maclean:

I think I made it clear that it would only be the case where somebody has purchased through cash or by cheque that there would be any particular relevance. All other purchases through travel agents and tour operators are covered by appropriate schemes and that, I must add ... and indeed credit card purchases as well which would also be covered so the vast majority are going to be perfectly well protected. Outside of that, anybody purchasing a ticket through cash or cheques would be reliant upon the solvency arrangements of the company itself.

4.13.2 Deputy R.G. Le Hérisier:

Following a theme I myself have been following all morning, would the Minister outline the precise circumstances where he would say the financial situation has reached such a serious state that it is now time for intervention? Would he outline those circumstances?

Senator A.J.H. Maclean:

I am not sure the Deputy's question is entirely clear. Is he referring to the company ceasing to be in a position to be able to operate? Is he referring to particularly the earlier discussions today around terms and conditions of staff? Could he perhaps clarify what he means by his question?

Deputy R.G. Le Hérisier:

I am simply referring to the situation where a company is trying its very best but there simply is not enough money in the bank to keep the normal operating aspects of a business going.

Senator A.J.H. Maclean:

I should make it clear first of all that there is no question with regard to Condor Ferries, that they are perfectly well capitalised. They are owned, as the Deputy will know, by Macquarie, an international organisation which certainly has the resources to ensure that the company can operate and prove to be successful. Condor is a successful profitable company. I have no reason to believe that that would not be the case long into the future. That is not the case, I might add, for many ferry operators that we have seen in recent years through the recession that have gone out of business but with Condor, they are well capitalised.

4.13.3 The Connétable of St. John:

The Minister mentioned cash or cheques could be lost in the event of a failure of the company. Would the Minister ensure that in any agreement that the States put in place with Condor and other companies that monies are held by the companies in a separate account where they were paid in by individuals by cash or cheque so, in the event of any failure, that money can be claimed back by the travelling public?

Senator A.J.H. Maclean:

I am very happy to take on board the concerns of the Connétable in this area and certainly raise the question. I just have to re-emphasise that this is a very, very small minority of individuals but that is not to say that it should not be considered and, as I have just given the undertaking, we will certainly consider it and see what is possible in this regard. I would also just point out that the same applies for consumers purchasing tickets with airlines, other ferry operators or virtually anything else, the same applies. Really it is for the consumer in many respects to ensure that they make their purchase through a properly protected either travel operator scheme, travel agency, or by use of a credit card scheme that has appropriate cover within it.

4.13.4 The Connétable of St. John:

Would the Minister agree with me that many people who travel once or twice a year and pay 6 months in advance will have limited means and pay by cash or cheque and therefore will he ensure that those people are protected in some way? The ordinary little man in the street I am trying to protect.

Senator A.J.H. Maclean:

The Connétable has raised this question for absolutely the right reasons and I have given an undertaking that we will certainly look at the matter. I was simply making the point that we believe this to be a very, very small minority but we will certainly consider it, as he has raised it, and it is a valid point.