

## Taking To The Streets And Airwaves: Launching TICO's New CONSUMER AWARENESS CAMPAIGN!

Promoting consumer awareness of TICO is a challenge - largely because providing a quick, easy description of TICO and what it does for consumers is virtually impossible in a 30-second sound byte. So how best to get TICO's important message to consumers throughout Ontario?

Bottom line, the very best place to educate interested consumers on the many benefits of purchasing travel services through Ontario travel agencies is TICO's website. With this in mind, TICO has revamped its website to present a far stronger consumer perspective. As well, TICO has introduced a more contemporary, and colourful, logo. And to make it as easy as possible for consumers to locate TICO on-line, the web address has been incorporated into the logo.

As a first step, TICO hired Larter Advertising to jump-start consumer awareness. Beginning in early September, an exciting new advertising campaign will vigorously target the typical Ontario traveller, to make TICO front of mind. And within seconds, these travellers will be directed to TICO's website.

Using television - specifically, Global and CTV - to reach into homes throughout Ontario, Larter proposed purchasing 10-second, closed-captioning sponsorship spots and 5-second dot spots as the best way to get as many consumers as possible to visit TICO's website. The advantage of dot spots is that a large number can be purchased on a relatively low budget - for appearances in high profile television programs such as *CSI* or *Survivor*.

With only five seconds, the dot spot must intrigue the audience instantly. Hence the introduction of Tico, the Ontario travel industry's watchdog, a cute dog that will

be used throughout the campaign, in every medium - television, video streams, web and print advertisements, and in banner ads on Toronto streetcars. From appearances in a young woman's suitcase to frolicking beside a couple on a beach, the instant message is 'always travel with TICO'.

The television campaign will run for two eight-week runs, from September through late October, and from mid-January to mid-March. Meanwhile, October through February, two streetcars on Toronto's King Street - one of the city's highest ridership routes - will feature a complete exterior wraparound promoting TICO, along with ads on every placement inside the streetcar. This way, car drivers and pedestrians will be reached, as well as TTC riders. All, ultimately, to drive consumers to TICO's new and improved website.

Registrants are asked to do everything they can to support this important message, by taking the time to explain to consumers the importance of dealing with Ontario-registered travel agencies. Please begin to use the new logo, which can be downloaded from TICO's website. Redesigned window decals are to be shipped out shortly, which TICO encourages you to display as prominently as possible.

By effectively delivering a strong message that emphasizes the competitive advantage of purchasing travel through Ontario registrants, TICO is optimistic that the strength and success of Ontario's travel industry will be enormously enhanced. ▲



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Michael Pepper  
President and Chief Executive Officer  
Travel Industry Council of Ontario

## LETTER FROM THE CEO



TICO launched its Education Standards program in the spring of 2008. All travel counsellors and supervisor/managers should have sufficient time to take the Travel Counsellor Exam before the Education Standards come into effect on July 1, 2009. The exam is mandatory for all individuals who sell travel services or provide advice to the public on behalf of a registered travel agency. We have heard from individuals who have been in the industry for a long time and are concerned as they are no longer accustomed to taking exams. Their apprehension is understandable, and our advice to them is to approach the exam with an open mind.

Before taking the exam, review the Study Manual and the Self-Test questions carefully. Then, try the Sample Exam at the end of the Study Manual to see how you do. Being well prepared and more in control of the situation will reduce some of the anxiety. Be positive that you know the material and will pass the exam. If you are not successful, you can take the exam again. You may want to schedule the exam early so that there is time to re-write it before the standards come into effect. Don't put extra pressure on yourself by leaving it until the last minute. Remember that the introduction of Education Standards can be used to bolster the confidence of your customers and will assist you in retaining them as clients.

Another step to drive consumers to TICO-registered travel agencies is TICO's Consumer Awareness Campaign. The new campaign will commence in September with a fresh, modern, consumer-friendly look and feel that is designed to promote the benefits of using a TICO registered travel agency. We will introduce Tico, Ontario's travel protection watchdog, in TV ads, which will direct consumers to the new and improved TICO website. This has been redesigned to be more informative and user-friendly, with an easy search feature for consumers to locate registered agencies in their area. TICO will be sending out new window decals to support the campaign, and making other materials available on its website. Town hall meetings will be held in the fall to showcase how you can use the materials to market your business and promote the message that there are benefits to dealing with Ontario registered agencies. To obtain the full benefits of the campaign for your agency, please use the materials and display them prominently.

Times are tough, with the high price of oil affecting just about everything we do. The travel industry, in particular, is seeing massive changes, with most major air carriers scaling back their operations. However, indications are that consumers are still travelling and will continue to do so. Gross sales for Ontario travel agencies increased significantly in the past year, despite the rise in the cost of oil. The travel industry is resilient and Ontario registrants have much to offer consumers. I wish you all a happy, prosperous fall season.

Michael Pepper  
President and CEO

## Report on the 11th ANNUAL GENERAL MEETING

THE ELEVENTH ANNUAL GENERAL MEETING OF TICO TOOK PLACE ON JUNE 24TH AT THE TORONTO CONGRESS CENTRE, AT WHICH THE 2008 ANNUAL REPORT AND THE 2008 BUSINESS PLAN WERE PRESENTED.

### From the Vice-Chair

Jill Wykes, Vice-Chair of TICO's Board of Directors, summarized the outcomes and achievements made in relation to the objectives set out in TICO's 2007 Business Plan. Overall, TICO's performance met its mandate. This included the comprehensive financial inspection program, which proactively monitored the activities of all travel retail and wholesale registrants. The result was fewer claims against the Compensation Fund, lower costs to the industry and a higher level of confidence for consumers. In addition, TICO continued to maintain an open relationship with its stakeholders - registrants, the Ministry of Government and Consumer Services, consumers - and the media. To mark TICO's 10th anniversary, a celebration of TICO's relationships with its stakeholders and its achievements was held in October 2007.

### From the President and CEO

Michael Pepper expanded further on TICO's activities over the past year. The main thrust was to focus on the financial viability of TICO registrants, monitoring their financial position. He noted that TICO has seen an increase in fraudulent activity in the industry - mostly around agencies changing ownership without notifying TICO, which sometimes results in a former owner being left with the liability.

Throughout the year, TICO has identified a number of issues with Ontario Regulation 26/05 that may require change, and TICO is working with Ministry staff to develop recommendations for reform.

The Education Standards Committee finalized the Study Manual and exams for both the Travel Counsellor and Supervisor/Manager levels, and registrants were able to begin registering to write the exams on March 14, 2008. The implementation date of July 1, 2009 gives ample opportunity for all travel counsellors working in Ontario to take the exam.

The TICO Board approved a new approach for the 2008-2009 Consumer Awareness Campaign, increasing its budget from \$250,000 to \$500,000. The intent is to drive consumers to TICO's website, [www.tico.ca](http://www.tico.ca), where they will be educated on the benefits of booking through TICO registrants. The website is being redesigned to become more consumer-friendly. In addition, a new logo has been designed and approved.

*Continued on page 6...*

## Changes on the Board

TICO would like to extend deep thanks and gratitude to **Michael Merrithew**, who recently resigned as one of ACTA's three representatives, after serving on the 15-member Board of Directors since 2003 and to **Annika Klint**, who has also resigned. We extend a warm welcome to ACTA's two new appointees: **Thanushka Nanayakkara**, CTM, President, NARAT Incorporated and **Carole Cooper**, Vice President Leisure North America for Flight Centre. Congratulations are also offered to **David Shaw**, President, Evans Intravel Inc., Orillia, who was re-elected to the Board for a three-year term.

Hearty congratulations are also offered to **Jill Wykes** and **Mike Foster**, who have been elected as TICO's new Chair and Vice-Chair respectively, each for a one-year term commencing June 24, 2008.

## Obtaining the 2008 Business Plan

TICO has distributed copies of the 2008 Annual Report to every registrant. If you would like to have a copy of the 2008 Business Plan, you may either contact us to send you a copy, or it may be downloaded from our website at [www.tico.ca](http://www.tico.ca), within the section "About Us".



## Dates to Note

### October 16 - 19, 2008

Ski, Snowboard and Travel Show  
Better Living Centre  
Exhibition Place  
Toronto



### November 7 - 9, 2007

National Women's Show  
Metro Toronto Convention Centre  
South Building  
22 Bremner Boulevard  
Toronto



TICO will be distributing informational material at both of the above shows.

## Breakdown on Consumer Complaints

Last year TICO handled 266 written consumer complaints - compared to 182 in the previous year. By processing these complaints, TICO successfully assisted consumers in obtaining \$118,522 in restitution, compared to \$56,678.21 the previous year. Telephone complaint inquiries numbered 2,158 and 305 complaints were submitted via e-mail.



## Patricia Jensen

*Director*

*TICO Board of Directors*



? *Prior to joining TICO, what was your background in the travel industry or on travel-related issues?*

Prior to my retirement in 2001 - when I was a faculty member in Ryerson University's School of Nutrition teaching consumer studies courses for 31 years - I was asked to join the board of the Consumer Council of Canada. Through my role there, I volunteered to work on the BearingPoint Study to Identify Consumer Protection Gaps in the Travel Industry. This was jointly sponsored by TICO and the then Ministry of Consumer & Business Services. It was part of the overall review of Ontario's travel regulations, and was an excellent introduction to TICO as a leading regulator. As a Ministerial appointee, I am expected to represent the public interest on TICO's Board of Directors.

? *When did you join the Board?*

I was invited to join the Board by former Minister Jim Watson in January 2005 for a three-year term, which was renewed this year.

? *Why is TICO important to you?*

Travel should be fun, but consumers can be vulnerable - for example, if they receive lax support when their travel arrangements go wrong, or when the company from whom they purchased travel services is financially unstable. Having travelled extensively, I know how fortunate we are in Ontario to have consumer rights legislated. Making that legislation work really well is why TICO's role is so important.

? *What did you feel you could bring to TICO?*

My experience in representing consumer interests. I define everything that arises from the perspective of the International Bill of Consumer Rights and Responsibilities. Have consumers been unfairly dealt with? Is it due to lack of consumer education, lack of consumer information, or misrepresentation? I am engaged by everything that impacts the consumer. And, again, participating in the Bearing Point study also prepared me well for joining TICO's Board.

? *Which of TICO committees have you been mainly involved with?*

I sit on four committees, the Compensation Fund Committee, the Education Standards Committee, the Alternate Finance Committee and the Complaints Committee.

In addition, since last December, I have been TICO's Statutory Director - a position of independence that cannot be occupied by TICO management or a member of Ontario's travel industry. The Director supervises the work of the Registrar and issues Director's Orders in a variety of circumstances where TICO is aware that consumers may be at risk.

? *Which of TICO's issues are of prime importance to you?*

The implementation of education standards is critical. Once all travel counsellors exercise the same degree of rigour in their work, the travel marketplace will be much more efficient and effective. I would also like to see a stronger disciplinary process for non-compliance, such as the introduction of monetary penalties.

Travel advertising regulations must be harmonized across the country, to ensure that consumers are not misled by so-called travel discounts that bear little resemblance to the actual ticket price. This calls for bringing airline advertising in line with the provincial regulations. Currently the situation is out of control, and it's a huge weakness. That is why the Travellers' Protection Initiative is so critical. It is also unfair for Ontario registrants to support Compensation Fund claims that emanate from airline failures.

And finally, the Consumer Awareness Campaign is very important. I am surprised at the number of well-educated people who insist on the cheapest travel services regardless of where these are sold. Such consumers are taking risks and are oblivious to the ramifications when things go wrong.

? *What are TICO's main challenges?*

In this tight economic environment - with airlines scrambling to survive, rising costs and high consumer expectations - all compounded by the financial model of the travel industry (consumers paying fully, in advance), everything points to some very shaky times.

I am also very concerned about vulnerable consumers such as new Canadians who are not fluent in English. It is extremely painful to see them caught by scams. The Consumer Awareness Campaign must work hard to reach out to those consumers, to deliver TICO's message on the benefits of purchasing travel services from Ontario registrants.

? *What have been your overall impressions of TICO?*

Being on TICO's Board of Directors has been tremendously educational and enjoyable. As well, I am full of admiration for TICO's management team, and the incredible support they provide to every member of the Board. ▲

## 3-Year Business Plan: an Overview

TICO has categorized its strategic priorities into short term, medium term and long-range goals. The 3-year Business Plan focuses on the short-term goals, with three top priority objectives:

- To enhance public relations with TICO registrants
- To develop tools to increase effective enforcement of the legislation; and
- To review registration criteria for all sellers of travel, to ensure consumer protection.

The remaining objectives over the next three years include the implementation of TICO Education Standards; reviewing and recommending changes to the *Travel Industry Act, 2002* and Ontario Regulation 26/05; introducing a new Consumer Awareness Campaign; and continuing to explore alternate methods of financing the Compensation Fund and TICO.

## TICO TALK Feedback

If you have questions, comments or concerns on anything that you read in **TICO TALK**, or on any other matter that impacts the travel industry, please contact us. Your opinions are important to us. We can be reached very easily - at **(905) 624-6241**, or at **1-888-451-TICO**, or by e-mail to [tico@tico.ca](mailto:tico@tico.ca).



## Surveying the Consumer Complaints Process

Over the past fiscal year, TICO distributed surveys to 266 consumers who had filed complaints against registrants, inviting feedback on their experience with the complaints process. 33 completed surveys were returned to TICO. Their results were as follows:

- 25 consumers were very satisfied with TICO's handling of their complaint, seven were dissatisfied, and one consumer was neutral.
- As some complaints included issues not covered by the legislation, TICO was not able to assist in resolving them.
- In some cases, TICO identified possible contravention(s) of the Act and/or Regulation on behalf of the registrant(s) involved. These issues were referred to TICO's Compliance Department for further review.
- Some consumers were dissatisfied because TICO does not have the authority to arbitrate a complaint or impose a settlement. TICO is developing a Discipline Process that will provide a mechanism to impose penalties against a registrant when the Act or Regulation has been contravened. However, the process may not result in compensation to the consumer.
- Six consumers were dissatisfied with the length of time taken to process their complaint file. While TICO is striving to improve turnaround times, they may vary, depending on the responses of complainants and registrants.



For the past year, TICO has played a major role in the Travellers Protection Initiative (TPI), lobbying the federal government to make changes to the *Canada Transportation Act*. The Minister of Transport has undertaken to consult with stakeholders, and TPI eagerly awaits the commencement of the consultation process.

Over the past fiscal year, gross sales for retailers totalled \$8.17 billion (up from \$7.22 billion the previous year), while wholesalers' sales totalled \$2.98 billion (up from \$2.42 billion). The increase in sales is an encouraging sign for Ontario's travel industry. Contributions to the Compensation Fund decreased from \$1,684,265 in 2007 to \$604,029 in 2008, as a result of the reduction in assessment rates.

Claims paid out by the Compensation Fund in 2007/08 for registrant failures totalled \$529,970, while recoveries brought in \$50,145. Claims paid in relation to end supplier failures totalled \$338. By year-end, the Compensation Fund stood at \$29,645,803. TICO aims to reduce the Compensation Fund to \$25 million within the next three or four years.

Registrations are down by 56 from the previous year, from 2,786 to 2,730. The breakdown is 84% retail and 16% wholesale registrations.

The audited Financial Statements for the year ended March 31, 2008 were presented and approved by the membership. A copy of the Financial Statements is included in TICO's 2008 Annual Report. ▲

### Court Matters continued from page 7

count each of operating more than one trust account without the written consent of the Registrar, contrary to **Section 27(4)** of the Regulation. On the conviction of disbursing trust funds, Mr. Anvari was sentenced to 18 months in jail and 1091873 Ontario Inc. was fined \$50,000. For the other two convictions, Mr. Anvari and the company received suspended sentences. A warrant was issued for Mr. Anvari's arrest.

### ► REVOCATIONS

Between April 24 and August 5, 2008, three companies had their registrations revoked: **Milestone Travel Ltd.**, Markham; **Sports Tours Belleville Inc.**, Belleville; and **1409149 Ontario Inc.**, o/a **Universe Travels & Tours**, Markham. ▲



# Court Matters

## ► CHARGES

**Ning (Richard) Wang**, sole proprietor trading as **Jianing Travel Service**, was charged with one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*.

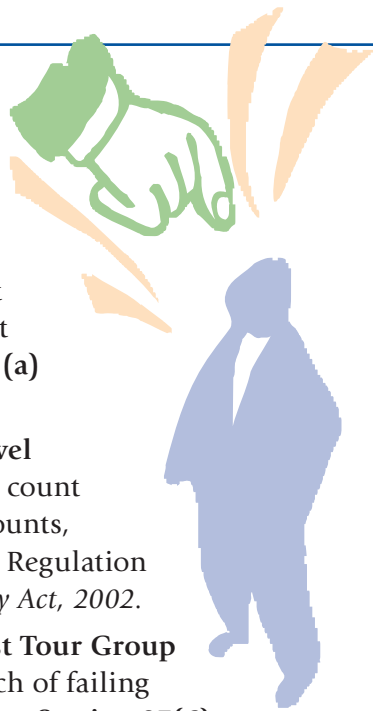
**Cathy Lucia Hollub and Dillon Travel Services Ltd.** were charged with one count each of failing to maintain trust accounts, contrary to **Section 27(6)** of Ontario Regulation 26/05, made under the *Travel Industry Act, 2002*.

**George Norman Street and Hillcrest Tour Group Ltd.** were charged with 14 counts each of failing to maintain trust accounts, contrary to **Section 27(6)** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*.

## ► CONVICTIONS

**Dominique Faubert** was convicted of four counts of acting as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002* and eight counts of operating without registration, contrary to **Section 3(1)** of the *Act*. Ms. Faubert was sentenced to six months in jail and paid \$5,000 in restitution to consumers at the time of sentencing. She is also subject to a two-year probation order, which commences at the time of Ms. Faubert's release from jail. The probation order includes restitution to consumers in the amount of \$24,128.56, and a restriction from working as a travel agent without the prior consent of the Travel Registrar. In a separate criminal proceeding, Ms. Faubert was convicted of four counts of fraud over \$5,000 and was sentenced to nine months in jail related to those charges. The six-month jail sentence related to the *Travel Industry Act* charges is to be served concurrently with the criminal sentence.

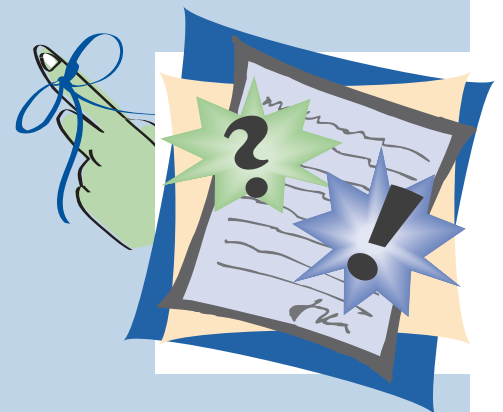
Following an ex-parte trial in Ottawa, **Mazdak Anvari and 1091873 Ontario Inc.**, operating as **One Step Travel, Student Escape Tours and Parsia Travel**, were convicted of one count each of disbursing monies from the *Travel Industry Act* trust accounts for payments not related to the travel services for which the money was entrusted, contrary to **Section 27(6)** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Mr. Anvari and the company were convicted of one additional count each for failing to notify the Registrar of additional trust accounts that had been opened, contrary to **Section 27(5)(a)** of the Regulation and one



## Worth Remembering

From time to time, **TICO TALK** reminds its readers of the top ten reasons for written consumer complaints. In 2007/2008, TICO received 266 such complaints, compared to 182 in the previous year, as follows:

1. Invoicing issues
2. Incomplete or incorrect information provided by the registrant to the consumer (regarding the travel product or services sold)
3. Customer service issues
4. Misrepresentation of travel services by registrant in an advertisement or brochure
5. Cancellation / Terms & Conditions
6. Information/documentation relating to travelling with passports and other travel documents
7. Outstanding refunds
8. Incorrect ticketing / ticketing errors
9. Matters outside the scope and mandate of TICO's authority
10. Accommodation purchased by the consumer changed and not provided in the destination



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## Upcoming Issues

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

- Update on the Consumer Awareness Campaign
- Progress of the Travellers' Protection Initiative

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## Travellers' Protection Initiative on the Attack

Stepping up the pressure to halt questionable airline advertising practices, the Travellers' Protection Initiative (TPI) filed a complaint with Advertising Standards Canada (ASC) about misleading advertisements in weekend editions of the *Toronto Star*, *The Globe and Mail* and *Ottawa Citizen*. Included with the complaint were copies of ads highlighting airline fares that were much lower than the actual ticket price. Five sample advertisements that had appeared between June 21 and June 28, 2008 publicized fares where the differences between advertised and actual prices paid by consumers ranged from approximately 150 to 555%. The differences are the result of not including charges such as taxes, airport improvement fees, security charges, navigational agencies' charges and fuel surcharges. For example, an advertised \$99 fare to London would end up costing the consumer \$1,098 - a 555% increase.

In its letter, TPI contended that airline companies – including Air Canada, Canadian Air, Flyglobespan Airlines and Porter Airlines – were in breach of provision 3(a) of the Advertising Standards Canada Code by:

- Presenting price claims for discount flights that are significantly lower than what consumers must pay upon finalizing the purchases, and
- Failing to specify the actual prices that consumers must pay upon completing the transactions.

To further strengthen its case, TPI told ASC that airline advertising is carefully policed in a number of important jurisdictions. In the United States, all-in rules apply to all airline advertising, while this fall in Europe, new airline advertising rules go into effect that will enforce advertising full-flight prices, with relevant sanctions for failure to do so. And in the United Kingdom, provisions of the *Enterprise Act 2002* compel compliance of airlines with all-in pricing practices.

These regulatory steps were all taken because it is fundamentally injurious to the maintenance of a workably competitive market to allow airlines to try to sell their tickets by hiding the full price until the time the payment is made.

In order to provide consumers with true protection from misleading advertising, and to maintain the ASC spirit of providing fairness and accuracy to consumers in advertising, TPI urged ASC to address this problem - and now awaits its findings. ▲

