



## OUTSIDE SALES REPRESENTATIVES GUIDELINES

Many individuals and registered travel agents have questions about the ability to sell travel services through an outside sales representative / counsellor. Multiple sections of the *Travel Industry Act, 2002 (Act)* and Ontario Regulation 26/05 (Regulation) outline the provisions and the requirements of outside sales representatives to which registrants must adhere. For precise wording one must always refer to the statute. Copies of the *Travel Industry Act, 2002* may be obtained from the Publications Ontario bookstore at 880 Bay Street, Toronto, call (416) 326-5300, 1-800-668-9938 or visit TICO's website to access a copy at [www.tico.ca](http://www.tico.ca) The Ontario Government's virtual bookstore is on the Internet at Publications Ontario. If there are any specific questions on this matter, please contact staff at the Travel Industry Council of Ontario call (905) 624-6241 or 1-888-451-8486.

### **REGISTRANT'S RESPONSIBILITIES**

The Act, does not register individual travel counselors, therefore Outside Sales Representatives (OSR) can only sell travel if they work through a TICO Registrant. The Registrant is responsible for the actions of the OSR as it relates to the sale of travel. This means that the Registrant must have policies and processes in place to ensure that the OSR complies with all aspects of the Act. It is the Registrant's responsibility to supervise the OSR appropriately.

### **WRITTEN CONTRACT**

Section 12 the Regulation states that a travel agent shall not sell travel services unless sold directly by the registrant, through an employee or through a person with whom the registrant has a written contract. Therefore, anyone selling travel services in Ontario as an OSR is required to be an employee of the Registrant or have a written contract with a registered Ontario travel retailer. The Registrant should ensure that the contract covers compliance with the Act and Regulation. The Registrant should consider the following when creating the contract:

- how the OSR will advertise
- how the OSR will invoice the consumer
- how the OSR will collect money and other accounting procedures

**OPERATE FROM REGISTERED PREMISES**

Section 6(1) of the Act clearly states that no travel agent shall conduct business from a place at which the public is invited to deal unless it is named as an office in the registration. This includes a home office. Consumers cannot be invited directly or passively to the OSR home to conduct travel business unless properly named as an office or branch office in the registration. Subsection 6(2) clarifies that when there is more than one office, one is the main office, and the remainder are branch offices. The OSR should operate through the Registrant's registered office unless a branch office has been registered with TICO for the OSR.

**MONEY TRANSACTIONS**

OSR are required to follow the same rules as a registered travel agency. Any consumer monies received by an OSR must be made payable to the Registrant. This includes payments made by cheque, direct deposit, debit or credit card where the Registrant is the merchant. Registrants should maintain sufficient controls to ensure that consumer payments are processed properly including any credit card payments direct to the supplier. If an OSR accepts cash on behalf of your travel agency, it is imperative that your agency has proper procedures in place to ensure that those individuals are handling the funds correctly. Your travel agency will be held responsible for the actions of its OSR if the funds are not properly deposited or are misused by those individuals. Therefore, it is important that you have checks and balances in place to safeguard your agency.

**REPRESENTATIONS (ADVERTISING)**

Sections 31 - 37 of the Regulation relate to representations. Section 31 states that representations shall include the registered name, address and registration number of the registrant and shall not include a residential address or telephone number. Therefore, any representation used by OSR should always include the name, address and registration number of the Registrant that the OSR works through. These representations include business cards, newspaper advertisements, websites and social media sites including but not limited to Facebook and Twitter. The OSR home phone number is not allowed on any representation, however, a cell phone number is acceptable as long as all of the Registrants information is also included.

**DISCLOSURE PRIOR TO BOOKING**

Section 36 of the Regulation requires that a travel agent disclose certain information to a customer before completing a travel sale with the customer. This requirement must be met whether the agent is dealing with the consumer in person, on the phone or over the internet. OSR must comply with this requirement. The travel agent must disclose the conditions of travel, the total price, cancellation fees and non-refundable amounts, advise about the availability of trip cancellation and out of province medical insurance, the travel documents typical information required for each person travelling, and any other terms and conditions relevant to the consumers decision to purchase travel.

## **INVOICES AND RECEIPTS**

OSR, after selling travel services to a consumer, are required to promptly provide the consumer with an invoice from the Registrant. Section 38(1) of the Regulation outlines the details that should be set out in the statement, invoice or receipt, particularly, the consumers name and address of the customer who purchased the travel services, the name for each person on whose behalf the payment is made; the business name, address, and telephone number of the registrant; the name of the company supplying the travel services; a brief description of the travel services purchased, the amount of payment, any fees, taxes or other charges and whether those amounts are refundable or non-refundable and whether trip cancellation and out-of-province health insurance was accepted or declined or whether the customer was advised of the availability of such insurance if the registrant does not sell insurance.

## **WEBSITES**

Some OSR have their own websites. In this case, the website must comply with the requirements of the regulation and must include the Registrant's name, address, phone number and registration number. The website URL will also have to be registered as a website of the Registrant with TICO. To register the website URL, please contact TICO's Registration Department.

## **EDUCATION REQUIREMENTS**

All travel counsellors selling travel services or advising consumers of those services must have passed TICO's Travel Counsellor Exam. This includes all OSR.

## **SUMMARY**

In summary: a person selling travel services must

- A person selling travel services must be an employee of a Registrant or have a signed contract with a registered agency and must have passed the TICO Travel Counsellor Exam.
- Any advertising, business card, letterhead, phone book listing or any other material in print or broadcast, must include the registered agency's address, full name, registration number and phone number. Residential telephone numbers are not permitted.
- Consumers cannot be invited directly or passively to the outside sales representative's home to conduct business relating to travel unless it is properly named as an office or branch office. Any business conducted (including handling funds) must be through the registered agency.
- The Registrant is responsible for the actions of the OSR as it relates to the sale of travel. The Registrant must have policies and processes in place to ensure that the OSR is informed of and complies with all aspects of the Act and the Regulation. The OSR shall comply with policies and processes set by the Registrant as well as with the requirements of the Act and the Regulation.