



With a number of fraud cases making newspaper headlines, South Africa's ITC industry has recently come under the spotlight. Is it time for a new model? Dorine Reinstein investigates.

## ITCs – is more regulation needed?

**T**HE travel industry has undoubtedly been harmed by recent incidents of fraud, which have affected consumers' trust in ITCs, says **Dinesh Naidoo**, group operations director at Serendipity Worldwide Group.

With fraud cases being reported on programmes like Carte Blanche, the entire industry's image has been harmed, making rogue players a cause of concern for all members. It's therefore in the interests of all players to find a solution, says Travel Counsellors gm for South Africa, **Mladen Lukic**. He believes that more regulation is required to protect both the industry and the consumer. However, it is the host companies, rather than individual ITCs, that must be more strictly governed.

This view is shared by **Garth Wolff**, ceo of eTravel, who looks to Asata for guidance when it comes to regulations. "The correct code of conduct should be stipulated and managed by Asata and host companies," he says, adding that he doesn't believe that Asata has the power or the passion to impose regulations.

The main opportunity for fraud tends to lie in the sale



**"The correct code of conduct should be stipulated and managed by Asata and host companies."**  
Garth Wolff

of air tickets, says Mladen. He notes that the vast majority of South African ITC solutions are limited to non-lata ticketing agreements, a solution that is purely override driven. "This being the case, Asata and lata should take a stance on regulating the industry. Ultimately, it is lata that licenses host companies to

issue tickets," says Mladen.

Asata has changed its criteria to encourage independent travel consultants to join its fold, says ceo, **Otto de Vries**. This change was made in recognition of the massive expansion in the number of ITC operators during the past 10 years. "The question we, as an industry, now face is this: to what extent do the various forms of ITC models safeguard the interests of the consumer, their host company's brand, the industry and the individual ITC? We need to define and encourage a model that minimises risks to any of these parties and encourage ITCs that are not already Asata members to join, contribute to and comply with a strict code of conduct that protects all parties involved."

According to Mladen, South Africa is the only market with a "free for all" model in the travel industry. "In other markets, you can't issue tickets without first obtaining a licence, and you cannot sub-license to someone else without following appropriate procedures. There has to be a binding agreement stipulating the conditions."

He says the industry needs an open discussion about what is, and is not, acceptable. "There has to be



**"Asata has changed its criteria to encourage independent travel consultants to join its fold."**  
Otto de Vries

a review of who can provide ticketing services and on what conditions. And more importantly, in terms of fraud, what is the responsibility of the host company?"

However, not all industry players agree that further regulation is the answer. Club Travel is a case in point. Franchise director, **Jo Fraser**,

says that although Asata needs to be the vehicle for protection and should be the industry's representative when addressing the issue, individual companies should implement their own rules. At Club Travel, several internal regulations have been put in place to protect ITCs and clients alike.

The lack of industry regulation isn't necessarily a problem, Jo argues. "I think we live in a world where people take responsibility for their choices because they see that regulations don't protect them."

"It's up to the general public to take responsibility to check they are dealing with a legitimate entity," agrees **Rian Bornman**, managing director of FlightSite. He argues that the industry's lack of regulation is essential for transformation, making it easy for potential agents to become involved in the trade.

Rian does not believe that further regulation is the answer. He says the most that can be expected from the ITC industry is that operators register and engage with governing bodies like Asata so that the general public know they are dealing with an endorsed entity.

