

Conditions Airline Failure Service BudgetAir.co.uk

Airline failure service

BudgetAir operates an Airline failure service to indemnify you in respect of your Financial Loss arising directly from the cancellation or curtailment of a Scheduled Airline Flight arising solely from the Insolvency of the Scheduled Airline up to and not exceeding £1,750 for any one airline ticket, as defined below.

The Service

It is a condition that the Airline failure service fee has been paid to BudgetAir in full as and when it falls due for payment.

BudgetAir will:

- a) prior to commencement of your trip:

Refund the cost of the lost Schedule Airline ticket up to £1,750 which can be

- I) be refunded to you in full; or
- II) put towards a new booking; or

- b) if your trip has commenced:

- I) provided the trip is nevertheless fully completed, refund monies paid by you as the price of the ticket(s) forming part of the trip that were cancelled as a direct result of the Insolvency, up to a maximum of £1,750; or
- II) if you are part-way through a trip, we will pay the cost of completing the return or onward leg of the ticket to a similar standard to that originally booked, such return flight commencing at the point of curtailment, up to a maximum of £1,750.

Exclusions

This Airline failure service shall not apply:

- a) if the airline failure service fee has not been paid to BudgetAir in full.
- b) if the Airline is bonded or insured against Insolvency.
- c) to any loss directly or indirectly caused by, consequent upon, contributed to, or resulting from any of the following:-
 - I) any actual or threatened war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority;
 - II) Civil commotion assuming the proportions of or amounting to a popular rising riot, strikes, lockouts, martial law or the act of any lawfully constituted authority;

III) any loss which at the time of the happening of such loss is insured or guaranteed by or would but for the existence of the Guarantee be insured or guaranteed by any other existing Policy, Policies or bond or is capable of recovery pursuant to any other of your legal rights;

IV) any loss sustained by you when the service was effected after the date of the first Threat of Insolvency as defined of the Scheduled Airline;

Definitions

1 Scheduled Airline Flight

One of a series of flights which are undertaken between the same two places and which together amount to a systematic service operated in such a manner that the benefits thereof are available to members of the public generally from time to time seeking to take advantage of it.

2 Scheduled Airline

An airline operating Scheduled Airline Flights.

3 Trip

Travel comprising one or more sequential Scheduled Airline Flights for which this service was purchased.

4 You

The person named on the scheduled airline ticket which an airline failure service fee was paid for, **provided that** the Scheduled Airline is not bonded nor is the risk insured elsewhere.

5 Financial Loss

a) If your trip has not commenced prior to the Insolvency the Financial Loss shall be the amount equivalent to the sum(s) paid by the passenger either as deposit, or as the case may be, as the price of the Scheduled Airline Flight(s).

b) If your trip has commenced prior to the Insolvency the Financial Loss shall be:

I) provided that the Trip is nevertheless fully completed by you, the sum equivalent to the price paid for the ticket(s) for such Scheduled Airline Flights forming part of the Trip as were cancelled as a direct result of the Insolvency; or

II) if the Trip is curtailed forthwith upon the Insolvency the cost of direct return transportation to a similar standard to that originally booked as part of the Trip such return flight commencing at the point of curtailment of the Trip as the direct result of the Insolvency; or

III) where the Trip is partially continued but not completed after the Insolvency the lesser of the sums which might otherwise have been payable under I) or II) above.

6 **Threat of Insolvency**

- a) A petition has been presented to the Court for the compulsory winding up of the Scheduled Airline; or
- b) The Scheduled Airline convenes a meeting of its Creditors informally or otherwise for the purpose of considering an arrangement with such Creditors pursuant to the provisions of Section 1 of the Insolvency Act 1986 or any statutory modification or re-enactment thereof; or
- c) A Receiver or Administrator is appointed over or in respect of any of the property, business, affairs or assets of the Scheduled Airline; or
- d) The Scheduled Airline stops payment of its debts or is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or any statutory modification or re-enactment thereof or ceases to carry on its business as a result of being unable to pay its debts as they fall due; or
- e) The Scheduled Airline takes or suffers any similar action in consequence of debt anywhere in the world and under any jurisdiction to include, without limitation, those Scheduled Airlines who are under Chapter 11.
- f) The Scheduled Airline discontinues any service, which includes services comprising the trip as a result of (a) to (f) above.

7 **Insolvency**

The Scheduled Airline enters into an "insolvent winding-up" as defined by Rule 4.151 of the Insolvency Rules 1986 or any statutory modification or re-enactment thereof or into an at least equivalent formal insolvency process under any other jurisdiction.