
STATUTORY INSTRUMENTS

1992 No. 3288

**The Package Travel, Package Holidays
and Package Tours Regulations 1992**

Monies in trust

20.—(1) The other party to the contract shall ensure that all monies paid over by a consumer under or in contemplation of a contract for a relevant package are held in the United Kingdom by a person as trustee for the consumer until the contract has been fully performed or any sum of money paid by the consumer in respect of the contract has been repaid to him or has been forfeited on cancellation by the consumer.

(2) The costs of administering the trust mentioned in paragraph (1) above shall be paid for by the other party to the contract.

(3) Any interest which is earned on the monies held by the trustee pursuant to paragraph (1) shall be held for the other party to the contract and shall be payable to him on demand.

(4) Where there is produced to the trustee a statement signed by the other party to the contract to the effect that—

- (a) a contract for a package the price of which is specified in that statement has been fully performed;
- (b) the other party to the contract has repaid to the consumer a sum of money specified in that statement which the consumer had paid in respect of a contract for a package; or
- (c) the consumer has on cancellation forfeited a sum of money specified in that statement which he had paid in respect of a contract for a relevant package,

the trustee shall (subject to paragraph (5) below) release to the other party to the contract the sum specified in the statement.

(5) Where the trustee considers it appropriate to do so, he may require the other party to the contract to provide further information or evidence of the matters mentioned in sub-paragraph (a), (b) or (c) of paragraph (4) above before he releases any sum to that other party pursuant to that paragraph.

(6) Subject to paragraph (7) below, in the event of the insolvency of the other party to the contract the monies held in trust by the trustee pursuant to paragraph (1) of this regulation shall be applied to meet the claims of consumers who are creditors of that other party in respect of contracts for packages in respect of which the arrangements were established and which have not been fully performed and, if there is a surplus after those claims have been met, it shall form part of the estate of that insolvent other party for the purposes of insolvency law.

(7) If the monies held in trust by the trustee pursuant to paragraph (1) of this regulation are insufficient to meet the claims of consumers as described in paragraph (6), payments to those consumers shall be made by the trustee on a *pari passu* basis.