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Advice for Businesses: Holiday accommodation booking cancellations occurring during the official lockdown period

The outbreak of Coronavirus (COVID-19) is an unprecedented and rapidly evolving challenge. Restrictions on non-essential travel and the mandatory closure of many business premises has prompted a number of enquiries from hotels and other accommodation providers seeking clarification as to their rights and obligations in relation to forced cancellations. We suggest all businesses consider the long-term reputational impact their response to customers will have on the visitor economy for years to come.

In Cornwall and the Isles of Scilly, we have heard many examples of proactive, personal interactions with customers which have avoided the need for a cancellation and refund, either by securing a revised booking or by agreeing some other arrangement with the customer (i.e. deposit/monies held pending the lifting of restrictions and the re-opening of bookings). These are voluntary arrangements. In law the customer is entitled to claim a full refund. However, the majority of customers are loyal and keen to have something definite to look forward to once the restrictions are removed.

Standard booking terms and conditions apply where holidays have to be cancelled. Where no terms exist to cover a cancellation and refund due to extreme unforeseen events that are beyond the control of both parties legislation introduced during the Second World War may be used to ensure that customers are properly refunded.

The Government's restrictions in response to COVID-19 will again bring into effect the rights and obligations contained within the Law Reform (Frustrated Contracts) Act 1943. This legislation contains the statutory requirement to provide a full refund for any contract that has "*become impossible of performance or been otherwise frustrated*" for example as a result of the current COVID-19 restrictions.

Of course, the government is providing financial support to businesses to reflect the impact that such obligations will have, and advice and support on applying for a government grant fund payment can be obtained by calling the Council of the Isles of Scilly's Revenues Team on 0300 1234 105 (option 2) or via <https://www.ciosgrowthhub.com/>.

If businesses require further advice, please contact Cornwall Council Trading Standards at businessadvice@cornwall.gov.uk.