



News Release

For Immediate Release

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Regulation of Ontario's Travel Industry Has Not Evolved with Changes in the Marketplace

(TORONTO) Although the travel industry has changed significantly since 1997 when the Travel Industry Council of Ontario (TICO) began regulating travel agents and wholesalers in Ontario, TICO's structure and responsibilities have remained largely unchanged, Acting Auditor General Nick Stavropoulos said today.

"TICO was created at a time when travel was often booked over the phone or in person. The Internet has changed the way Ontarians make travel plans, yet consumers are only protected by TICO when they purchase travel from those with a physical location in Ontario," said Stavropoulos.

One of TICO's roles is administering the Travel Industry Compensation Fund, which is financed by travel agents and wholesalers and used to reimburse eligible customers. Our audit found, however, that the cost of administering this fund — \$1 million in 2022/23 — may outweigh the benefits it provides to consumers. The annual average of compensation paid to consumers through the fund over the last 10 years was \$350,000. The fund balance was \$22.8 million as of March 31, 2023.

Our audit also found that as of March 2023, 30 per cent of the 1,684 registered travel agencies and wholesalers had not been inspected by TICO in the last 10 years to assess whether they comply with legislative requirements, and some had not been inspected in more than 20 years.

Additionally, TICO could not justify holding as much as \$2 million in security deposits from registrants who may be eligible to have their deposits returned. TICO is required to collect a \$10,000 security deposit from each new registrant, and it is obligated to repay deposits to registrants who have filed two consecutive financial statements with TICO if there are no compliance concerns. On average, these deposits had been held by TICO for approximately seven years.

"Oversight of the travel industry in Ontario could benefit from a comprehensive review, so that it is better aligned with the changing landscape and risks to consumers," said Stavropoulos.

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