SECTION 5 - REFUND RULES AND REGULATIONS

5.1 INTRODUCTION

The purpose of this section of the guidebook for Agents and Travel Consultants is to create a clear understanding of the Policy applicable to the Cancellation and Refund process with regard to the travel documents of South African Airways (SAA).

SAA Passengers and the travelling public in general, when applying for a refund or cancellation, often indicate that they were not aware of the refund and cancellation terms and conditions applicable to the service rendered or the travel document they have purchased at the point of purchase.

This is a clear indication that many of the uncertainties regarding the refund and cancellation process can be prevented at the first point of purchase/contact. It is the Selling Agents responsibility to clearly explain not only the conditions of fare purchased but also the refunds rules and regulations pertaining to the applicable purchase.

The Refunds Department at Airways Park process more than 5000 refunds per month (200 refunds per working day), excluding the time spent on Telephone calls to Agents and the public to explain uncertainties about the process.

It is important that a clear understanding of this policy is attained between SAA and the Agent/Travel Consultant. This will improve the refund processing time and enhance good customer relations.

5.1.1 THE COST OF SERVICES PROVIDED AND THE NUCLEUS OF THE REFUND POLICY

Any form or sort of service requested by a person or passenger and provided for incurs an expense. To confirm the services provided for, a suitable valid travel document indicating the required service is issued, not free of charge, but as a fee.
The cost for issuing such a travel document or service rendered will therefore be recovered whenever a request for a refund or cancellation is received by SAA.

Besides the incurred cost involved, this interaction also constitutes the basis for an obligatory contract between the passenger and the Agent/ Travel Consultant and forms the nucleus of the Refund and Cancellation policy of SAA.

5.2 IATA APPOINTED AGENTS OR TRAVEL CONSULTANTS

All IATA appointed Agents or Travel Consultants are considered to be fully competent and able to transact reservations and issue travel documents on behalf of SAA.

To expedite refunds and to limit all unnecessary telephone calls and inquiries as to the refund process, all IATA appointed Agents must ensure that their Travel Consultants are able and authorised, to quote airfares, effect reservations, apply for refunds and issue travel documents, in accordance with this policy.

Any Agent or Travel Consultant will confirm and display on the travel document being issued, all the necessary elements depicting exact terms and conditions applicable to that travel document.

The omission to do so could render the Agent or Travel Consultant liable in accordance with the terms and conditions related to any service or travel document.

The SAA Refunds office or any other SAA department will not be responsible for any cost incurred by such an error or any other errors made by an Agent or Travel Consultant.

5.3 AN UNDERSTANDING OF THE SAA REFUND OFFICE PROCESS

REFUNDS are processed via the GDS’ auto refunds procedure, the IATA BSPLink or directly with SAA Head Office refunds department.

The Refund Process requires that all refund documentation, is received simultaneously and must contain all the value coupons for refund.
Once the refund is received the refund is registered onto the SAA SAP Refund system reviewed / collated by the registering clerks.

The Financial Officers and Team Leaders investigate, approve and process these refunds.

Managers and Executive Managers approve refunds according to the SAA internal authorisation matrix.

### 5.3.1 THE REFUND PROCESS

The refund process is very dynamic and involves electronic and manual systems that are managed and validated at different intervals by trained staff.

It is regulated by:

- Government regulations
- Conditions of carriage
- IATA resolutions
- Fare rules and conditions

An originally issued travel document, used in accordance with the service/s for which it was issued, has no other additional costs over and above the displayed amount.

When a passenger requests a refund, an amendment, a cancellation or a modification, for a specified service/s that was rendered, it constitutes a change of the original formal contract.

The party or person, who has requested the change, in part or in total, will pay any expenditure, costs, or penalties applicable and relevant to the change/s of the initial contract.

Any cost that is waived during the refund process will be a direct loss for the Agent/Travel Consultant or the carrier.

Note: The waiver of fees for change of dates, Agents error of issue, or any other form of errors will be for the cost of the Agent or Travel Consultant, and will not be the responsibility of SAA.
The refund cost will be recovered in the form of either an:

- Administrative Fee

or

- Cancellation Fee

To allocate the applicable costs of an originally issued travel document, which will no longer be used as issued, in total or in part, it is necessary to establish whether that required change of the original travel document is:

- Voluntary

or

- Involuntary

5.4 THE SAA REFUND ADMINISTRATION FEE APPLIED TO ALL REFUNDS

Administration fees are charged for the work performed to process a refund on a traffic document. This is not to be confused with a cancellation penalty.

A Cancellation fee is payable as stipulated by the particular fare rules. Cancellation penalties may vary according to the conditions of sale, and is normally related to the conditions of the transportation contract sold, and not to be confused with an administration fee for a refund.

Since 16 April 2007 the SAA Refund Administration fees are:

- **R250 (plus 14% VAT)** is the standard refund administration fee. This is for refunds that by their nature require Airline authorisation. The charge is applicable to all voluntary refunds.

- **R500 plus VAT** for refunds submitted via BSPlink; or rejected by BSP refunds; or directly forwarded to SAA Head Office which the Travel Agent could process.

- **R300 plus VAT** Form of Indemnity fee for lost documents
BSPZA Travel Agents must please take note when forwarding auto refunds to DPC/BSP to not attach a refund notice as the refund rejection response received by our department from DPC is "Ticket / Coupon is already refunded". BSPZA Agents must only submit a print out of the screens when forwarding actual automated TAT / ATB flight coupons, which has been processed as an auto refund and only these documents must be forwarded to the BSP.

VMPD refund applications must be processed by the Travel Agent via BSPlink. Please contact IATA for VMPD or BSPlink assistance.

Please note:

- Any refund applications that should have been processed by the agents via BSPlink or the GDS Auto refunds process will attract an additional administration fee of R500 plus VAT.
- In certain markets (including BSPZA), SAA may grant Agents a percentage or fixed portion of the administrative fee imposed on travel documents being refunded via the GDS.

In the following instances, Agent or Travel consultant will forfeit any administration fees:

a) Where the Agent or Travel consultants sends or refer refunds to the SAA Refund Office, instead of processing directly via their GDS, refunds are reported and submitted through the Billing Settlement Plan (BSP).

b) Where the Agent or Travel Consultant is negligent in the completion of the refund or omit sending all the required documentation needed for the refund.

c) Where the Agent or Travel Consultant incorrectly computes the value of refund, or neglects to apply the cancellation fee in accordance with the rules and regulations of that particular travel document.

IATA BSP Agents reserve the right to charge any additional administration fee from their clients to cover their operational expenses, but this must
then be collected and communicated to their clients outside the BSP process and may not be reflected on any SAA document.

5.4.1 SAA HEAD OFFICE REFUNDS WILL ONLY PROCESS THE FOLLOWING TRAVEL AGENT REFUNDS

Category of refunds processed by SAA Head Office:

- INVOLUNTARY REFUNDS
- GROUP REFUNDS
- WAIVER AND FAVOUR AUTHORITY REFUNDS
- LOST TICKETS
- EXPIRED TICKET (NOT OLDER THAN 18 MONTHS)
- PTA
- EXCHANGES (different validating carrier)

Travel agents must please note that any refund forwarded directly to SAA not falling into the above category will attract the R500 plus VAT Administration fee.

5.5 VOLUNTARY REFUND

A voluntary refund is a refund where the reason for the refund of a totally unused travel document or the unused portion of it, is solely attributed to action or the lack thereof. The motivation for the refund is for reason.

Examples are:
- Decision not to travel
- Illness or death of passenger or family member
- Error by Agent or Travel Consultant in issuing the travel document

The validity of a travel document is one year for international and six months for domestic flights, Calculated from the day of commencement of a flight or the date of issue for on open or unused travel document. Please note that special fares / restricted fares will determine the validity as per the special fare rule.
Travel documents that have already expired may possibly not be refundable under this section.

All the necessary penalties and cancellation fees will normally apply in these instances.

**Waiver requests for voluntary refunds:**

Waivers of any kind on voluntary refunds must be referred to SAA H/O Refunds department and may not be paid out by any station or directly by a travel agent, without the approval of the H/O department.

**5.6 INVOLUNTARY REFUND**

An involuntary refund is the request for a refund of a totally unused, or the unused portion of a travel document, which can be sole attributed to the airline being unable to provide the contracted conveyance of a passenger as detailed on the travel document.

Attributed to the following:
- Safety or legal requirements
- Cancellation of a flight
- The airline fails to operate a flight according to the schedule
- Fails to stop at a point to which the passenger is destined to stopover.
- Unable to honor confirmed space
- Unable to honor the class booking
- Unable to deliver passenger to a connecting flight which the passenger holds a confirmed reservation issued within the same travel document.

Under this clause, all the administrative or cancellation fees will not be applicable.

**Waiver requests for involuntary refunds:**

Waivers of any kind on involuntary refunds must be referred to SAA H/O Refunds department and may not be paid out by any station or directly by a travel agent, without the approval of the H/O department.
Note: Denied boarding due to incorrect documentation (e.g. Visa) or on advice from an Embassy’s Airline Liaison Officer does not constitute an Involuntary Refund.

5.6.1 TERMS AND CONDITIONS OF REFUNDS TO AGENTS AND TRAVEL CONSULTANTS

(Reference SAA Conditions of Carriage www.flysaa.com)

- SAA will refuse the refund of a travel document or any unused part of that travel document when application for a refund is presented after the expiry of the validity of that travel document.

- Subject to applicable Government Regulations and their currency control restrictions, an Agent / Travel consultant or Carrier will refund only, to the person who has paid for the travel document in the original form of payment, via the original issuing agent office.

- Refunds will be considered where a person other than the passenger has paid for a ticket named in the ticket, only upon presentation of adequate proof and written permission by the person that paid for the traveling document to do so.

5.7 FAILURE BY SAA TO PROVIDE CARRIAGE

On failure by SAA to provide carriage in accordance with the contract of carriage, or where a passenger requests a voluntary refund, the refund for an unused travel document or portion thereof will only be made by SAA in accordance with the clauses and conditions of this policy.
Agents and Travel Consultants may re-issue a SAA travel document on failure of providing carriage only if it is a travel document of SAA and the airline failed to provide the transport in accordance with the terms and conditions thereof.

5.8 REFUNDING OF TRAVEL DOCUMENTS BY AGENTS OR TRAVEL CONSULTANTS

5.8.1 VOLUNTARY REFUNDS

For totally unused travel documents, excluding Prepaid Ticket Advise (PTAs, VMPDs): The Agent or Travel consultant will refund the travel documents issued by that same Agency if the motivation for the refund is on a voluntary basis.

For partly used travel documents (excluding PTAs, VMPDs): If the re-assessment of the airfare for the used portion (coupons) is a simple applicable one-way sector fare, the Agent or Travel Consultant will process the refund and apply any necessary administrative or cancellation fees owing.

For PTAs: All PTA refunds will be addressed to the carrier whose document has been used to originate the transaction. In the case of international PTA's, the Agent or Travel Consultant is obliged to obtain the authority to refund, from the addressed station to where the PTA was sent. Without the necessary refund authority acknowledgement, no refund will be processed.

Note: Voluntary refunds will be made by the Carrier who originally issued the travel document or by the Agent who issued the travel document when authorisation is received.

5.8.2 INVOLUNTARY REFUNDS

All Agents or Travel Consultants will address involuntary refunds to the ISSUING AIRLINE for refund and processing.

Note: SAA will only process SAA travel documents under this clause.
All involuntary refunds HAVE to be referred to H/O Refunds Department for authorization. Only once such authorization has been received, may the station pay out such refund.

5.9 PERSON TO WHOM THE REFUNDS WILL BE MADE

SAA may be entitled to make a refund either to the person named in the travel document or to the person who has paid for the ticket upon presentation of satisfactory proof.

If a person has paid for the travel document other than the passenger named in the travel document, and the travel document exposes a restriction on a refund, SAA will refund only the person paying for the ticket or to that person's order.

Except in the case of a lost travel document/s. Refund/s will only be made on receiving the passenger coupon or passenger receipt as well as all unused flight coupons of the relevant carrier.

A refund made to anyone presenting the passenger coupon or passenger receipt or a person's order and all unused flight coupons and holding him or herself out, as a person to whom a refund may be made in terms of this document shall be deemed a proper refund. SAA will be discharged from liability and any further claim.

5.10 RIGHT TO REFUSE A REFUND

SAA may consider to refund a travel document if application thereof, is made within SIX MONTHS after the date of expiry of the ORIGINAL issued document, irrespective of the number of times the original document may have been reissued.

The Carrier may refuse the refund on a travel document, which has been presented, to a Carrier or Government officials of a country as evidence of intention to depart there from. Unless the passenger establishes to SAA's satisfaction, that he or she has received permission to remain in that country or that he or she will be departing from that country on another Carrier or other means of transport.
5.11 CURRENCY

All refunds will be subject to Government laws, rules and regulations or orders by that country in which the travel document was originally purchased and of the country in which the refund is being made.

Subject to the foregoing provision, refunds will normally be made in the currency in which the ticket was paid for, but may be made in another currency in accordance with Carrier's Regulations and its applicable rates of exchange.

5.12 METHOD OF REFUND PAYMENT BY AGENTS AND TRAVELLING CONSULTANTS

An Agent or Travel Consultant may only process a refund, if that Agent or Travel Consultant has issued the travel document being refunded. The refund will always be processed in the same way as the original transaction form of payment, i.e. cash, cheque, or credit card.

If another Agent or Travel Consultant has issued a travel document not affiliated to SAA, or outside of South Africa, or by another Carrier, the person requesting the refund will be referred to that issuing office for a refund and not SAA.

Lost document refunds, expired travel documents, unused PTA document (MCO/MPD/VMPD), or downgrading vouchers, must be referred and submitted to the issuing Carrier together with the appropriate refund application and their required attachments.

A voluntary refund requires that all applicable administrative or cancellation fees be applied, per passenger.

Waiver of the cancellation fees will only be approved and sanctioned by the SAA's Refunds Department.

5.13 SUPPORTING DOCUMENTATION

A refund will only be processed if the original travel document and supporting documentation as required have been attached to the correct refund notice application form and forwarded to this office for processing.

Only in the following instances will photocopies of the documents required for a refund be accepted:
5.14 THE REFUND OF LOST, STOLEN OR DESTROYED TRAVEL DOCUMENTS

The following procedure will be followed regarding lost, stolen or destroyed travel documents.

- Any passenger declaring that they are no longer in possession of a travel document, for which, they want a refund will be requested to complete a SAA Form of Indemnity (F.O.I.). Agreeing to indemnify SAA for any loss or damage it may sustain by reason thereof.
- The original of a completed F.O.I. declaration, together with a photocopy of the declared lost document and an MCO for the lost document fee, (presently set at R300.00 plus VAT), must be submitted with the refund application form to the Refunds Approval Office. (Note that the omission of these requirements will only delay the completion of the refund process.)
- The required processing lost document fee, Miscellaneous Charge Order (MCO) does not waive any cancellation penalties or refund administrative fee, which may be applicable to that particular document for the exposed airfare being refunded.
- The refund of a lost, stolen or destroyed travel document, partly used or totally unused, can only be processed after expiry date of that document. A copy of the new travel document purchased to complete the journey might waive any cancellation fees if the dates are the same.

Form of indemnity documentation

- PASSENGER:

The FOI must in all instances be accompanied by:
• Copy of Identification document (ID, Passport)
• Copy of latest municipality bill, bank statement etc, which indicates the address of the person signing the FOI. This is critical to ensure that in cases where the traffic document was found to be utilized which causes SAA to re-claim the refund from the passenger, that the passenger can be traced

• **AGENT:**

Where the agent misplaced or lost the document, the FOI must in all instances be:

• Signed by the agency manager, and a full indication of the name and designation of the person signing on behalf of the agency
• Full reasons for the application of a refund based on lost ticket

### 5.15 MEDICAL OR DEATH CERTIFICATES

As already explained, the minimum administrative fee applicable to all voluntary refunds will apply even to those travel documents which are requested to be refunded for medical reasons or death in the family.

A copy of the death certificate, and a certified declaration that the person requesting the refund is an immediate family member, will accompany the required refund documentation, which is submitted.

A medical certificate is only acceptable as a justification to consider the waiver of a cancellation fee in those exceptional cases that may occur only after a passenger has commenced his journey and is incapacitated or prevented to complete the remainder of the journey within the period of the validity of that exposed airfare. A copy of a hospital invoice may also be required.

In the above cases the validity of the travel document will be extended to the first flight available in the same class of service for which the airfare had been paid, no more than three months from the date shown on the medical certificate as the first permissible date to travel.

It is recommended that the passenger be advised and encouraged to take out a cancellation and curtailment insurance cover. The insurance cover
will protect and compensate for all those eventualities or penalties that will be levied to those airfares they have chosen to purchase.

Immediate Family is defined and limited to spouse, children (including adopted children) parents, brothers, sisters, grandparents, grandchildren, fathers-in-law, mothers-in-law, brothers-in-law, sisters-in-law, sons-in-law, and daughters-in-law.

5.16 APPLICABLE FARES

The applicable fares are those published by or on behalf of SAA, or if not published, constructed in accordance with the Carrier's rules and conditions relevant to that fare which are Subject to the Government Requirements and the Carriers Regulations.

The applicable fare is the fare for the flight or flights in effect on the date of commencement of the carriage covered by the first flight coupon of the ticket. When the amount that has been collected is not the applicable fare, the difference to the applicable fare shall be paid by the passenger or, as the case may be, refunded by the Carrier, in accordance with the Carrier's Regulations.

5.17 REFUND AMOUNT

5.17.1 VOLUNTARY REFUND

If a passenger or issuing agent, wants a voluntary refund of a travel document other than those cases as set out for an involuntary refund, the amount of refund shall be:

- If no portion of the travel document has been used, an amount equal to the fare paid, less any applicable administrative or cancellation fees, which ever is the highest will apply.
- If a portion of the travel document has been used, the refund will be the amount equal to the difference between the fare paid and the applicable fare for travel between the points of which the ticket has been used, less any applicable administrative or cancellation fees.
Note: In some cases not all fares are refundable according to the fare rules and regulations that are stipulated under this clause.

5.17.2 THE REFUND OF A DOCUMENT “UPGRADEABLE TO NEXT HIGHER FARE”

Currently a number of fare bases, stipulates the rule that the ticket is non-refundable but upgradeable to the next higher fare. In many instances, a new ticket is issued, and the new ticket paid cash, and the old ticket sent in for a refund.

Such a ticket may be refunded in the following circumstances:

- Copy of the newly issued ticket can be provided as proof that a new ticket was issued
- The new ticket had to be issued where the previous ticket could not be withdrawn due to the ticketing rule that if the BSR (Bankers selling rate) on the ticket changes, that the previous ticket can not be issued as form of payment.

Note: It is very important that, if such a non-refundable ticket was upgraded to a higher fare ticket, that for the original ticket, the non-refundable portion REMAINS NON-REFUNDEABLE. Thus, only the upgraded portion of the fare will be refunded, but the original ticket, which was non-refundable, may not be refunded.

Such cases must be referred to the H/O refunds department.

5.17.3 INVOLUNTARY REFUND

If the refund is due on an involuntary basis, the amount of refund shall be:

- If no portion of the ticket has been used, an amount equal to the fare paid.
If a portion of the ticket has been used, the refund will be the higher of,

- The one way fare (less applicable discounts and charges) from point of interruption to destination or point of next stopover or,
- The difference between the fare paid and the fare for the transportation used.

In both these instances the administrative or cancellation fees, if any applicable to that fare, will be waived and absorbed by SAA.

5.18 REFUND APPLICATION FORM AND BSP REFUND PROCESS

5.18.1 REFUND APPLICATION FORM FOR IATA BSP AGENTS

Effective 31st August 2007, IATA will not be printing any refund application/authority forms. This means that the 900.../700.../200... series refund application authorities will no longer be available to the travel Agents. These series refunds have been replaced by BSPlink applications.

5.18.2 AUTOMATED BSP REFUND PROCESS

Effective 16 April 2007, Automated Refunds is now available in the BSPZA market. This means that Agents will now use their GDS to finalise refunds that do not require Airline authorization.

Agents should refer to their GDS manual for procedures on how to process auto refunds.

- The normal Refund procedure, rules and regulations will apply.
- Partial and Full Refunds will be accepted via the auto refunds process.
XP and DU tax codes are non-refundable.

The Cancellation or Administration fee will always be applicable.

Non-refundable fares are non refundable.

SAA will continue to audit the billing and ADMs will be issued for the violations as previously communicated by SAA.

Those travel documents which have been issued incorrectly, either due to "system error" or "agents error" or "duplicate issue", will be marked "VOID" and reported as such to BSP within the same sales reporting period. These documents are "NOT INVOLUNTARY" refunds. If these errors are detected only after the corresponding reporting period of the date of issue, they are to be processed as "normal" refunds, applying any administrative or cancellation penalties due. It is the duty of the Agent to correctly recuperate or claim from the source of origin the fees if the passenger is not liable for them.

For the correct completion of the BSPLink refund application: Please consult the BSP AGENTS MANUAL and the IATA Ticketing Handbook; which should be available at all IATA registered Agents. Alternatively read the appropriate form carefully and provide the required details accurately.

5.18.3 BSP Refund application process on BSPLink

The BSPLink refund application procedure requires agents to apply for refunds on BSPLink and indicate the reason for the refund request. Please attach all relevant documentation on the online application.

FOR E-TICKETS:
No documentation required by SAA

FOR VMPDS:
- attach copy of VMPD and purge on the online application (also attach PTA authority to refund should it be a VMPD for a PTA)
- If it is a VMPD for a group deposit follow process for paper tickets.
PAPER TICKETS:
– Print application from BSPLink
– Attach all relevant documentation and original tickets to the printed BSPLink application
– Forward the above documents to SAA’s refunds office

LOST TICKETS:
– Print application from BSPLink
– Attach all relevant documentation including the FOI and original MPD for FOI fee to the printed BSPLink application
– Forward the above documents to SAA’s refunds office

DOWNGRADES:
– Print application from BSPLink
– Attach all relevant documentation and original boarding pass to the printed BSPLink application
– Forward the above documents to SAA’s refunds office.