Introduction of new PLL LOT policy for changes and calculation of refunds

2022

PLL LOT new policy for changes in fares and calculation of refunds. Valid for sales from 03rd February 2022 on 080-tickets and LOT fares.

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/ CONTENTS /

/ 1. SCOPE OF INTRODUCED CHANGES /

1.1. General Information

- On February 3, 2022, LOT Polish Airlines introduces new rules for making changes and refunds. Detailed information's are available in the following sections. All new rules will be reflected in the Penalties category in the tariff notes for all destinations (*Long Haul / Short Haul / Domestic*).
- As the changes become effective, the Penalties category will have a new wording to align with the new changes and Refunds policy.

1.2. Purpose of the changes

- The introduced changes to the rules of making changes and calculation of refund are conditioned by the adaptation of PLL LOT to the competitive environment as well as the implementation of system solutions for the automatic calculation of refunds.

1.3. Reservation change

- In the process of ticket exchange based on ADC collection to a new fare, the passenger will pay the fee for the reservation change which will be taken from the original fare, but not from the fare to which the fare upgrade is being made. It means that all the changes are processed in accordance with the conditions of the original fare, but not a new fare, if we consider them in the context of rebooking fee. The change fee based on the conditions of the new applicable fare after the ticket exchange or reissue will apply to each subsequent change in the newly issued ticket.
    - Example:
        - a passenger has a ticket with a fare where the PENF change fee is 200EUR (original fare)
        - reissue/exchange of the ticket and upgrade to a new fare where the PENF fee is 100EUR (new fare)
        - the passenger pays: the difference between fares and / or taxes plus the PENF change fee of 200EUR.
- The CHD discount (for children aged 2-12) on rebooking fees will be waived; This means that the child will pay for the change as much as the adult (ADT);
- In the case of tickets issued with the INF discount (for an infant aged 0-2 years without the right to reserved seat) - the change fee is not applicable;
- A new method how to differentiate and apply rebooking fees. Different fee processing is provided to:
    - passengers who change their reservation **before** the scheduled departure date / time of the flight being changed
    - passengers who change their reservation **after** the scheduled departure date / time of the flight being changed.
    - The above-mentioned rules apply to fully unused tickets and to those partially used tickets with regard to the change of return portion of travel (inbound).
        - This means that the "in case of no-show" entry in the fare note will apply to any passenger who decides to rebook after the scheduled departure date / time of the flight being changed , regardless of whether the original booking was canceled or not.

1.4. Refund calculation

- For all LOT tariffs, there will be a rule of deduction of refund fees (so-called cancellation fee) according to the "per fare component" formula – i.e. for each component separately. In practice, it will be applicable to both the combination of two different fares as well as to the same, homogenous fare used on outbound and inbound component.
    - *Example:*
        - The passenger has a ticket completely unused for the RT journey issued with the fare where the cancellation fee is 70EUR per fare component;

- when recalculating the refund, a fee of 2 x 70EUR must be deducted (Refers to the fare where cancellation fee is in force).

▪ In case of partially used tickets, after deducting the fare for flown sectors, the cancellation fee should be additionally deducted, but only for the fare and it's not used component.
  - **Example**:
    - The passenger has a ticket with a cancellation fee of 70EUR per fare component, also for partially used tickets;
    - the ticket has been used only for the outbound flight and inbound sector is presented for refund.
    - When recalculating the refund, the used OW fare plus cancellation fee in the amount of EUR 70 should only be deducted for the unused portion of travel.

▪ If an exchanged ticket with additional collection (ADC surcharge from restrictive fare to less restrictive fare)is presented for refund - a deduction should be made using the more restrictive cancellation fee from the two-tariffs used (old and new).
  - *Example 1:*
    - The passenger has a ticket with a fare where the cancellation fee is EUR 100 per fare component and then is going to pay extra fare upgrade to the tariff, where a new fare cancellation's fee is EUR 50 per fare component:
    - a cancellation fee of EUR 100 per fare component must be deducted from the full value of the new tariff as more restrictive.
  - *Example 2:*
    - The passenger has a ticket with a non-returnable fare, and then pays extra to a fully returnable fare;
    - the value of the non-returnable fare must be deducted from the full value of the new fare.
  - *Example 3:*
    - The passenger has a ticket with a non-returnable fare, and then pays extra to the fare, where the cancellation fee is 100EUR per fare component;
    - the value of the non-returnable fare must be deducted from the full value of the new fare assuming that it is higher than cancellation fees, i.e. EUR 200.

▪ CHD discount counted from cancellation fee (refund fee) is waived for children aged 2-12. This means that the fee deducted will be the same as for adult passenger (ADT).

▪ For tickets issued for an infant aged 0-2 with the INF discount (with no right to reserve a seat), cancellation fee does not apply; The application of "non-refundable" restriction remains still in force with reference to the fare conditions for the INF passenger.

▪ The principle of so called "Capping rule" has been implemented. In practice it means, that while calculating the refund , the value of all respective applicable cancellations in case of refund, should not only be deducted from the fare value, but also from the value of the YQ / YR fees, This happens, if CANX fee does not cover all due deductions levied on the passenger.
  - *Example:*
    - The value of the fare paid and shown in the ticket is EUR 200 and the YQ tax is EUR 100. The fare conditions require a deduction of EUR 250 when calculating the refund;
    - Hence, the amount of used cancellation fee will be covered by the fare value and partially by the YQ value.
    - the passenger will finally receive only a partial refund of the YQ tax (less EUR 50) and the remaining unused taxes.

▪ A new method how to differentiate and apply a cancellation fee for a refund. Different fee processing is provided to:
  - passengers who report and request a refund **before** the scheduled departure date / time of the booked flight;
  - passengers who report and request a refund **after** the scheduled departure date / time of the booked flight.
  - The aforesaid rules apply to refund of fully unused tickets as well as to partially used tickets with reference to the refund of return portion of travel.

- This means that the "in case of no-show" entry in the fare note will also apply to any passenger, who requests a refund after the scheduled departure date / time of the booked flight regardless the originally booked flight is canceled in advance or not.