

## MARINE AIR TICKET REFUNDS

*The following general remarks apply to the situation in mid 2023. They apply as a rule, but not in every case, nor for every airline. Also, the situation used to be different and may well change again in the future.*

Marine air tickets are exceptional in many respects. For example, they are one-way, they carry a double baggage allowance, and they are usually refundable. **Refundable** does not mean that refunds can always be obtained. These notes set out, in broad outline, the principles governing refundability.

### **Unused marine air tickets are refundable**

If a marine air ticket is not used, a full refund can (almost always) be obtained. In the era of e-tickets, this is normally a painless process – no ticket is issued, no charge is made. If, however, the passenger goes to the departure airport, checks in, takes boarding card or airline exchanges the ticket due to a delay, and then does not fly, the position is very different. Once the ticket is exchanged or boarding card has been issued, the airline is unable to sell the seat to other would-be travellers. So from the airline's point of view, the passenger took his seat, whether or not he physically occupied it during the flight. Accordingly, in these circumstances, some airlines may refuse refund. Others may grant a refund, but the process for obtaining the refund will not be automatic and may be long and difficult. At the least, the airline will demand the return boarding card and in case of an exchanged ticket the refund procedure changes into manual refund. So, to sum up, refundable really means that marine air tickets may be cancelled at no charge. In practice, while it is best to cancel as early as possible, as long as the passenger does not check in, a refund is nearly always obtainable. If the passenger does check in, as long as he keeps boarding card/exchanged ticket, it is usually possible to obtain a refund nevertheless, but the process takes time.

### **Unused tickets may be refundable, but segments are not**

The ticket for a journey that takes two flights is said, in airline jargon, to consist of two segments. For example, a journey from Hamburg to Manila, with a first flight from Hamburg to Frankfurt, aircraft change in Frankfurt, and a second flight from Frankfurt to Manila, is said to consist of two segments, Hamburg-Frankfurt and Frankfurt-Manila. As a general rule, if the first segment of a journey is flown, the remaining segments of a marine air ticket become non-refundable. This is because, once the passenger has departed, the airline has virtually no possibility of selling the remaining segments to other would-be travellers. This is nearly always the position if the airline is not at fault. If the airline is at fault, however, the position may be different. For example, if the late arrival of the first flight means that it is impossible to board the second flight, the airline may accept responsibility and agree to refund the second and subsequent segments. Whenever the passenger wishes to continue his journey but cannot, because of circumstances beyond his control, there is reason to hope for a refund. However, the airline may still refuse refund if, for example, alternative flights were offered which, in the airline's view, were as good as the flights originally booked. In all cases, application for part refund must be made. The process normally takes time and may be difficult. Refund of the full value of the remaining segments is always unlikely.

### **Split tickets**

With the advent of e-tickets, split tickets have become more usual. In airline jargon, a split ticket is one on which different segments are flown on flights operated by unrelated airlines. A journey booked with an airline alliance, with segments operated by different alliance members, is not a split ticket. A split ticket is, in fact, two separate tickets (or more than two) that are stitched together to obtain a lower fare overall. Generally, the passenger must check in more than once during the journey, at each change of airline. The refund position for a split ticket is thus, in fact, not a single position but two (or more) positions, one refund position for each airline involved. In the case of part refunds, this may be to the passenger's advantage.

In the example above, suppose that the journey from Hamburg to Manila is booked on a split ticket, Hamburg-Frankfurt with one airline and Frankfurt-Manila with another. If the Hamburg-Frankfurt segment is flown, but not the Frankfurt-Manila segment, a full refund for what seems to be the second



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segment should be available. As far as the second airline is concerned, the journey Frankfurt-Manila consisted of a single segment, and did not constitute the second segment of a two-segment journey. For passengers and clients, this can be confusing. In what seem to be identical circumstances relating to identical journeys, in one case a segment is non-refundable, while in another case it is fully refundable. Unfortunately, split tickets may also generate difficulties. In our example, suppose the Hamburg-Frankfurt flight is delayed and the passenger misses his connection. This should not affect the refund position, but it affects everything else. On a normal, through ticket, the airline flying Hamburg-Frankfurt would accept responsibility and do everything possible to find a seat on the next Manila flight. Courtesy meals and accommodation might be offered. On a split ticket, the second airline has no responsibility and may not go out of its way to be helpful. Generally, as far as refunds are concerned, the remarks above concerning check in, exchanged tickets and boarding cards, apply to each of the airlines operating segments of a split ticket.

### **Fare calculations are complicated and different airlines are different**

Refund rules are applied differently by different airlines. This reflects the fact that different airlines calculate fares on different bases.

A few airlines, notably British Airways, calculate fares per segment and add the segment fares together to produce a journey total fare. Most airlines instead calculate an overall journey fare, based on total journey miles, that bears little relationship to a hypothetical segment by segment sum. Such airlines may well charge the same fare for journeys from Hamburg to Manila and from Frankfurt to Manila, for example, because there is really very little difference in total air miles. In this example, Hamburg-Manila and Frankfurt-Manila are said, in airline jargon, to be common rated. Although the general refund position is that explained in the sections above, it is sometimes possible to persuade one airline to consider a part refund in a case that another airline would not consider. Here, the basis and detail of the original fare calculation is the most important factor, and particularly the question of common rating. Suppose, for example, that a passenger has a marine air ticket to fly Manila-Frankfurt-Hamburg, but stops in Frankfurt and does not fly the Frankfurt-Hamburg segment. If the airline common rates Manila-Hamburg and Manila-Frankfurt journeys, a Frankfurt-Hamburg part refund is absolutely out of the question. But suppose, instead, that the passenger books the reverse journey, Hamburg-Frankfurt-Manila, again stops in Frankfurt and this time does not fly the Frankfurt-Manila segment. Here, there is no doubt that the fares for journeys from Hamburg to Frankfurt and from Hamburg to Manila are very different, whatever the basis of fare calculation, and there may be some chance of obtaining a part refund. It is thus easy to see that the refund permutations for marine air tickets for flights between Frankfurt and Hamburg are really endless. In the case of a single-segment journey, a refund is normally automatic. In most multi-segment cases, there may sometimes be a chance of part refund, and on other occasions no chance whatever. However, for split tickets, the refund position is different again, and the refund of one or more segments may be automatic and easy. This can be very puzzling for passengers and clients, who tend to consider one Frankfurt-Hamburg marine air ticket to be much like any other Frankfurt-Hamburg marine air ticket and, logically, refundability to be likewise similar.

### **Refund calculations are based on the fare the passenger should have paid**

Despite the different fare bases adopted by different airlines, for refund calculations, one general principle is applied pretty much by all of them. Let us suppose that a marine air ticket for a two-segment journey from A to B and from B to C is charged by an airline at a price of 100. If the passenger flies from A to B but does not continue from B to C, and if the airline agrees to consider refund, the first step for the airline will be to calculate what the fare would have been for a one-segment journey from A to B. If the answer is 100 (common rating), refund is excluded. If the comparison shows a big difference, if an A to B ticket might have cost 25, say, then prospects for a refund begin to improve. But if the comparison shows little difference, if an A to B ticket might have cost 75, say, then refund looks unlikely. The general principle is that refund calculations compare the original fare with the fare the passenger would have been charged had he booked the journey he actually made. If the difference is considerable, a part of the difference may be credited as refund.

Another principle that is widely observed relates to airport landing fees and taxes. These are frequently not charged (to the airline) in respect of passengers who do not make the flight, albeit booked. Airport landing fees and taxes not paid by the airline should, in principle, be returned to the passenger. But in practice, much depends on the relative importance of the part of total ticket price represented by the landing fees and taxes. On some routings the importance is slight, in other parts of the world, landing fees and taxes may easily represent more than half of the total ticket price. Fare calculations, and consequently refund calculations, are complicated and difficult, often subject to a web of inconsistent regulations. It is really impossible to predict the attitude an airline will adopt in any particular refund case, and similarly impossible to estimate the likely refund calculation.

**If a refund is not automatic, it is generally uncertain, takes time and carries a cost**

Until the introduction of e-tickets, refund applications could, and frequently did, remain outstanding for years. This was very unfair, because the airline collected the full fare immediately, and only returned the refund credit at the end of the process. From a financial point of view, it will easily be appreciated that airlines had, in fact, little incentive to hurry. With the introduction of e-tickets, the refund process for full refunds became automatic and easy in nearly all cases. As far as part refunds are concerned, the position has improved. However, delays in refund remain considerable on the whole, and the outcome, during the delay, remains uncertain. It should further be understood that airlines do not process refunds for free. Whether they charge by crediting only a part of the refund value as calculated, or whether they deduct a standard fee, or both, airlines never credit the full value of unused segments.

**Refunds must be requested within one year**

Refund applications must be made within one year of travel date (the date of take-off on the first travel segment). Perfectly valid refund applications will be refused if the application is made after the expiry of the year. It is good practice to ensure that a refund application is made as early as possible as difficulties and delays, in the production of documentation for example, may lead to the lapse of refund entitlement.

**Marine Wings' refund policies**

As a rule, Marine Wings bills tickets only after departure. This ensures that refunds are normally not billed (to be credited only subsequently). The client is normally spared any trouble. Part refunds are an exception because, of course, departure generally takes place, and Marine Wings consequently bills the ticket. Moreover, even in cases where a refund is in the end obtained, the credit is always less than the original invoice total; part of the original invoice total is thus due and payable by the client.

Broadly, Marine Wings does not ask for payment of invoices in respect of which a refund application is made in the normal way with a good prospect for credit. But when a refund application cannot be made along normal lines, or when prospects for credit are dim, Marine Wings will usually ask that the relevant invoice be paid, any refund being credited if and when obtained.

A typical example of a refund application that cannot be made along normal lines is the case in which the return of an exchanged ticket or boarding card is demanded by the airline, but cannot be produced. This may be because the passenger threw boarding card away, or lost it. In all such cases a special procedure, called a lost document procedure, must be followed. This is more troublesome than usual, takes longer, and is very uncertain.

Prospects of part refund are dim, for example, in cases in which it is quite clear that the passenger chose, freely, not to continue a journey. The typical case is a crew transfer that is aborted half way through because of changed circumstances, such as a ship being diverted. Rather than travel to final destination, only to immediately return to point of departure, part of the expense of the return journey may be saved by offloading the crew (as it is called) at the first available stop. In such cases, the likelihood of refund is proximate to zero.



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## **Note regarding non-refundable tickets**

Some of the tickets sold by Marine Wings are non-refundable. These are hardly ever marine air tickets. Usually such tickets offer particular advantages, such as a very low price. On occasion, non-refundable tickets must be used because marine class seats are simply not available for the desired routing and date. When making a quotation, Marine Wings is careful to list any special restrictions applying to the tickets offered. Non-refundability is always clearly mentioned.

Non-refundable tickets are often billed by Marine Wings before departure, because departure itself has no bearing on whether or not such tickets are payable. The critical act is, instead, the issue of the ticket. This must very often take place at an early date in order to secure the special advantages attaching to the ticket. Once issued, the ticket must usually be paid to the airline immediately.

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