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## **Under the new DOT rules, airlines are required to issue refunds within seven business days and they must be in cash unless the passenger chooses another form of compensation\***

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Airlines must now “promptly provide passengers with automatic cash refunds” when it cancels or significantly changes a flight, significantly delays checked bags or fails to provide the extra services the passenger purchased.

The U.S. Department of Transportation's (DOT) final rule, as announced by the Biden-Harris Administration, “creates certainty for consumers by defining the specific circumstances in which airlines must provide refunds.” Prior to this rule, airlines were permitted to set their own standards for which flight changes warranted a refund. As a result, refund policies differed from airline to airline, which made it difficult for passengers to know or assert their refund rights. The DOT also received complaints of some airlines revising and applying less consumer-friendly refund policies during spikes in flight cancellations and changes.

As for the specifics, passengers are entitled to a refund for:

- **Canceled or significantly changed flights:** Significant changes to a flight include departure or arrival times that are more than three hours domestically and six hours internationally; departures or arrivals from a different airport; increases in the number of connections; instances where passengers are downgraded to a lower class of service; or connections at different airports or

- flights on different planes that are less accessible or accommodating to a person with a disability.
- **Significantly delayed baggage return:** Passengers who file a mishandled baggage report will be entitled to a refund of their checked bag fee if it is not delivered within 12 hours of their domestic flight arriving at the gate or 15 to 30 hours of their international flight arriving at the gate, depending on the length of the flight.
- **Extra services not provided:** Passengers will be entitled to a refund for the fee they paid for an extra service—such as Wi-Fi, seat selection or inflight entertainment—if an airline fails to provide this service.

The rule also makes it so airlines must automatically issue these refunds without passengers “having to explicitly request them or jump through hoops.” Airlines must also issue refunds within seven business days of refunds becoming due for credit card purchases and 20 calendar days for other payment methods. Airlines must provide refunds in cash or whatever original payment method the passenger used to make the initial purchase; they may no longer issue vouchers, travel credits or other forms of compensation (unless the passenger chooses such). Lastly, airlines must provide full refunds of the purchase price, minus the value of any portion of transportation already used.

**\*The DOT has given the airlines 6 months to roll out this new mandate**

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