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## Youtravel reverts back to principal status

Dec 06, 2012 08:30AM GMT

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Bedbank Youtravel.com is reverting back to principal status as part of alignment with German majority shareholder FTI Group.

Youtravel.com was the first UK accommodation-only provider to adopt principal status when it launched in 2006 and was one of the last bedbanks to ditch it earlier this year.

But a review of the business model, integration with FTI's 24/7 global operations and "commitment to customers," has led management to the decision to revert back to principal status from yesterday (Wednesday).

This puts Youtravel.com in the "unique position" to provide its trade partners with the benefit of additional security as it becomes the party that is contractually bound to the consumer to provide accommodation services.

Principal status enables Youtravel.com to offer further reassurance to its contracted travel agents in the areas of insurance cover for liability claims and health and safety.

Group chief executive John Kent said: “This new commitment to principal status will enable us to provide better service, more assurance and differentiate Youtravel amongst our competition as we expand the network of Youtravel.com.

“We will continue to offer our trade customers excellent prices and availability not only through the Mediterranean but also new long-haul destinations which we are continuously adding.”

He added: “We have a renewed focus on building and enhancing powerful systems to fulfil the requirements of our distribution partners, working closely with our sister company Meeting Point International and their local offices across all our destinations.”

The issue of principal or agency status of bedbanks has been the subject of a [long-running court case involving MedHotels and a £7 million VAT bill](#) payable under the Tour Operators Margin Scheme.

The latest appeal has found MedHotels liable to pay the tax even when it claimed to be operating as an agent.

There was a brief return to principal status following the deaths of two children on a Thomas Cook holiday in Corfu in 2007 after agency groups said they would only work with suppliers who took full responsibility for the product.

But that was short-lived after agents were found not to be favouring bed banks offering principal status and most reverted back to operating as agents, except Youtravel until last year.

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