



Agency Debit Memo British Airways Policy

- USA only -

Last updated: September 2021

This policy is specifically for the USA. Canada and Bermuda remain under the Global Policy.

Background

British Airways has decided to publish its policy on Agency Debit Memos (ADMs) to Travel Agents to make clear the circumstances under which ADMs will be issued and the guidelines that British Airways applies.

Key Points of British Airways Policy:

- ADMs will be issued by British Airways only within nine months of final travel. All disputes regarding an ADM must be raised within 30 days of the ADM issue date. When an ADM is being disputed, please provide specific contact details on the fax/email to enable British Airways to make contact concerning the dispute.
- A floor limit of GBP4 applies to an ADM, but see 2.3 for exceptions for recurring
- Occurrences of underpayment.
- British Airways does not accept credit cards as a form of payment for debit memos.
- British Airways ticket issue policy mandates e-tickets and EMDs. If paper tickets, or MCOs/MPDs are issued instead, British Airways may impose a charge collected by ADM.

See below for full details of British Airways ADM policy.

1. Scope

1.1. British Airways will issue ADMs to collect amounts or make adjustments to agent transactions related to the issuance and use of British Airways traffic documents, issued by, or at the request of the Agent, regardless of which airlines are included in the itinerary of the British Airways traffic document. An ADM may also be used to collect amounts where a traffic document has not been issued, if agreed with the Agent, for example, for deposits for group sales.



2. British Airways Practice

2.1. ADMs will be issued by British Airways only within nine months of final travel, or when the final travel date cannot be established, the expiry date of the document. To adjust refunds, an ADM will only be issued within nine months of the ARC remittance date on which the refunded document was settled. For any charge due beyond this period, British Airways will agree with the Agent bilaterally the best settlement method and only submit an ADM if agreed in writing by the Agent.

2.2. British Airways provides Agents with a 30 days period of notice, in order to review any ADM and dispute it.

2.3. An ADM will not be issued for a value less than 4GBP (equivalent). However, if there is a persistent practice of under-payment (multiple occurrences of under payments less than 4GBP (equivalent) by the same Agent (IATA location), British Airways may raise an ADM to recover the under-payments.

2.4. British Airways will endeavor to provide as much information as possible on an ADM to ensure it is specific in its detail about the reason a charge is being made.

2.5. British Airways will only include more than one transaction on any ADM if the reason for the charge is the same and will provide details with the ADM.

2.6. If British Airways raises an ADM for non-compliance with fare rules, the general principle applied is to raise the fare to the next applicable fare. Any divergence from this principle (e.g. a fixed amount penalty charge) is communicated to the Agent in advance, e.g. through notes in the fare rules, by letter or any other communication (e.g. Travel Trade) used in the market in question.

2.7. If the Agent does not comply with British Airways Travel Agency Addendum, British Airways will issue an ADM.

2.7.1 If the Agent does not comply with the requirements for the proper and correct issuance, reporting, and settlement of ARC Traffic Documents communicated in the Airlines Reporting Corporation (ARC) Agency Reporting Agreement, British Airways will issue an ADM.



2.8. Travel Agents are only permitted to create passive, inactive or non-productive segments where British Airways is not charged. Agents that do create these segments and where British Airways receives a charge for this segment, will receive an ADM of 10GBP per passenger segment. If you're not sure whether you will receive an ADM for these segments, you should speak to your GDS.

This includes, but is not limited to, segments with a status of: AK/AL/AN/BK/BL/BN/DS/GK/GL/GN/MK/PK/PU/PL/YK/ZK. Segments created as part of a Group Booking are exempt.

2.9. Churning refers to repeated cancellation and rebooking of the same itinerary for the same passenger independent of the class and PNR. A maximum of 4 valid churned segments are permitted, any excess churned segments will be subject to an ADM of GBP 5.00 (or equivalent in local billing currency) per passenger/per segment.

2.10. Bookings made prior to 24 hours to departure should be ticketed in line with the fare rules where applicable or cancelled at least 24 hours prior to departure. If the Agent makes a booking within 24 hours to departure, it should be instantly ticketed.

2.11. British Airways will take all the necessary measures to defend a chargeback relating to a transaction submitted to the card company. In the event of a disputed transaction and its subsequent rejection by the card company, British Airways will pass the loss to the Agent involved in the processing of the transaction by means of an ADM.

2.12. Refunds must be made to the original Forms of Payment and in the same currency used to pay for the ticket. By way of an example, a Cash payment should be refunded as Cash and a credit card payment should be refunded to the original credit card. Where multiple or split Forms of Payment are used, the refund should correspond to the amounts originally collected for each Form of Payment. Failure to refund using the correct Form of Payment will result in an ADM for the value of the refund.

2.13. British Airways instructions specify any change fees must be collected via an EMD, and the EMD must be linked to the ticket concerned. Failure to follow this procedure may result in a charge to be collected by an ADM for incorrect ticketing/reporting procedures – unless local agreement is reached that permits a different collection and reporting method.



2.14 British Airways will only issue more than one ADM in relation to the same original ticket, if different, unrelated charges apply. (This does not apply when an ADM is cancelled and raised again for the same reason but for a different value).

2.15. British Airways will endeavor to handle rejected or disputed ADMs in a timely manner. Where an Agent disputes an ADM within the dispute period, the dispute must be made via the correspondence area in ARC Memo Manager. If British Airways rejects the Agent's dispute, an explanation for the rejection will be placed in the correspondence area in ARC Memo Manager, along with an e-mail address if the Agent needs to re-dispute.

2.16 British Airways may levy an ADM administration fee of GBP10 (or equivalent in local currency) identified by the MF fee on the ADM. This charge will be reversed only upon full acceptance of the dispute for invalid ADM issuance by British Airways

3. British Airways expects of travel agents

3.1. To train their staff in ADM procedures; their purpose and the dispute period that exists.

3.2. To ensure that when an ADM is disputed, the response is specific in detail and the relevant supporting information is sent to British Airways via ARC's Memo Manager online memo distribution system.

3.3. Not to dispute an ADM where the reason is valid and evidence to the contrary is not available.

3.4. To raise all disputes regarding an ADM within 30 days of the ADM issue date.

3.5. To provide specific contact details when raising a dispute, exclusively through ARC's Memo Manager online system, enabling British Airways to make contact concerning the dispute.

Please be advised that as of July 1, 2009, British Airways began using Memo Manager, ARC's new online memo distribution and settlement application. From this date, all newly issued memos have been distributed electronically through Memo Manager. For more information regarding Memo Manager, please click [here](#)



Document Change Log

Date	Paragraph	Update
01-Sep-21	2. British Airways Practice, Art. 2.9	New – Excess Churning Policy
01-Sep-21	2. British Airways Practice, Art. 2.12	New – Proper use of Form of Payment for Refunds