

professional (adjective)

- 1a. possessing specialist knowledge
- 1b. characterised by conscientious workmanship

Ploughing through the 70 plus pages of the Financial Services Authority's 'Regulating Connected Travel Insurance' Consultation document, STAN columnist Matt Bates succumbs to nostalgia in this first of two linked articles on the impending changes to the control of travel insurance sales by the UK's travel professionals.

In days gone by, like most best practice in travel retailing, travel insurance product development, sales and servicing was undoubtedly less complex and demanding of travel agents' time, energy and cost base. For sure, it was always contentious (I misplaced my rose-coloured spectacles long ago!) - particularly during my 'active service' period in the Scotway and SPARC consortia, I never could understand why the selection of and loyalty to specific 'approved' travel insurance brokers engendered such emotion amongst my fellow members.

Later during that time, as the focus of our regular debates on the relative benefits of the brokers championed by various members shifted to 'claims performance' (in other words, the effect - on the new year's net premiums offer - of members' level of claims and quality of service during the previous year) I did begin to appreciate just what a complex product we were dealing with, and why the scarred old warriors (you know who you are!) amongst our member agents were fiercely loyal to brokers with the highest integrity, rather than the sharpest pencil.

Inexorably, more and more agents took on a second insurance product - a 'low premium' offering - and changed supplier with increasing frequency, thereby diluting relationships with brokers, and potentially losing faith with clients.

I would argue that the UK's travel services providers - in particular, the independents - have, over the course of time offered a relatively professional and insightful (albeit, largely self-taught) travel insurance service; a quality of service only eroded by our abandonment of loyalty in our broker partnerships, in favour of short-term net price advantage. Perhaps we were forced into this position by the increasing market penetration of non-travel sector providers (for example, the supermarkets), but could we have acquitted ourselves better in proving our willingness to work within a reasonable self-regulatory structure?

The SPAA and ABTA undoubtedly fought a worthy and successful campaign, several years ago, to fend off - on behalf of travel services providers - FSA regulation, with its attendant bureaucracy and costs. Regrettably - the Associations having won the argument - travel agents didn't rise to the training and accreditation challenge with sufficient enthusiasm and vigour to make the victory a permanent one. Why, oh why, do we so often leave

ourselves open to valid criticism of our voluntary custom and practice – to the extent that we offer the empire-building legislators a sitting target?

OK, so I may be displaying my developing tendency towards nostalgia in this week's piece, but it does demonstrate why – as we in the travel sector seem to do so well – we've left ourselves open to the need for closer supervision and regulation of our involvement in travel insurance sales. In my next column, though, I'll take a more dispassionate look at what benefits may accrue from FSA regulation, and why Scotland's travel professionals should be taking an active part in the Consultation. Promise!