

Hospitality industry body seeks regulation on travel food aggregators

Hospitality industry body FHRAI has sought intervention of the parliamentary standing committee on finance for regulation of online travel and food aggregators, alleging anti-competitive practices by the tech platforms.

In a letter to the parliamentary standing committee on finance chairman Jayant Sinha, FHRAI said a handful of Online Travel Aggregators (OTAs) as well as Food Service Aggregators (FSAs) have created havoc. The parliamentary panel is examining alleged illegal practices of big tech players and technology platforms that could adversely impact competition in the Indian market.

"The primary reason for the intervention of the committee is enormous public interest /consumer interest in this matter. The customers face continuous problems of non-fulfilment of prior commitments coupled with almost zero complaint redressal mechanism from the OTAs and FSAs," Federation of Hotel & Restaurant Associations of India (FHRAI) vice president Mr. Gurbaxish Singh Kohli wrote.

He further said, "Due to plundering of business interests of lakhs of hotels and restaurants in the country, it is imperative to ensure a protective mechanism in the face of predatory pricing and anti-competitive tactics adopted by OTAs and FSAs."

It is also a matter of concern that through international funding the FSAs and OTAs used to garner customers or divert them to their forum, Mr. Kohli added.

According to FHRAI, the common problems from FSAs and OTAs arise from their inability to service customers.

"At times, the OTAs and FSAs show on their platforms that the restaurants are not operating and rooms are sold out, but in fact, they are unable to service their

customers thereby causing great trouble to both the customer and the service provider," it said.

Alleging hidden charges levied by OTAs and FSAs, the hospitality industry body said these platforms "often indulge in double dipping by inflating charges payable by consumers through levies raised under different names and pretexts, and which consumers are often confused to think that the same is levied by hotels and restaurants."

These charges include convenience fees, service and packaging charges which are not levied by the business, delivery charges, transaction fees to offset credit card commission, tips which are supposed to be paid to delivery persons, and donations collected for different charities.

"None of these charges are levied by the hotel or the restaurant and the consumers are made to believe that the charges are levied by the hospitality industry," it pointed out.