# Legal Foundations of Selling Travel

*Last Updated*
*February 6, 2026*

## Introduction and Purpose

Selling travel is both a service profession and a legally regulated business activity. Every reservation, recommendation, disclosure, and communication carries potential legal consequences. Travel advisors operate at the intersection of clients, suppliers, contracts, and government regulations. While most days focus on crafting memorable vacations, the underlying legal structure is always present and shapes professional responsibilities.

This training module is designed to provide new travel advisors with a deep, practical understanding of the legal principles that govern the travel industry. Rather than presenting the law as abstract theory, this module connects legal concepts directly to everyday booking scenarios, client interactions, and business decisions. Advisors who master these principles are better equipped to protect their clients, safeguard their commissions, reduce exposure to lawsuits, and build long term professional credibility. The material in this module is drawn from established legal doctrine within the travel industry and reflects real court cases that have shaped advisor responsibilities. While this training does not replace professional legal advice, it provides a strong foundation for ethical, compliant, and risk aware travel advising.

**What It Legally Means to Be a Travel Agent** In everyday language, the travel industry increasingly uses the term travel advisor to reflect the consultative and professional nature of the role. Legally, however, advisors remain agents. An agent is a person authorized to act on behalf of another party, known as the principal. In travel transactions, advisors commonly act as agents for both suppliers and consumers.

When acting for suppliers, advisors are authorized to sell airline tickets, hotel accommodations, cruise reservations, tour packages, and other travel services. When acting for consumers, advisors are authorized to arrange and confirm travel plans on the client's behalf. Courts across the United States have consistently recognized that travel professionals typically function as agents for both sides of the transaction, creating what is known as dual agency.

Dual agency means that the advisor simultaneously represents the supplier selling the travel service and the traveler purchasing it. This arrangement is unique compared to many other industries but is standard practice in travel. While lawful, dual agency carries significant legal implications because the advisor owes duties to both parties.

Understanding authority within agency relationships is essential.

- **Express authority** is the permission specifically granted by the principal (the client), usually through written contracts. Supplier agreements typically outline what services advisors are authorized to sell, under what conditions, and within what pricing structures.
- **Implied authority** refers to actions reasonably necessary to fulfill express authority. For example, when authorized to book cruises, an advisor is impliedly authorized to explain itineraries, pricing, cancellation policies, and travel requirements.
- **Apparent authority** arises when a third party reasonably believes the advisor has authority to act, even if such authority was not formally granted. If a supplier creates or allows this impression, the supplier may still be legally bound by the advisor's actions.

One of the most critical legal protections for advisors involves disclosure of principals. When an advisor clearly identifies the supplier responsible for providing travel services, the advisor is generally not liable if the supplier fails to perform. If the supplier is not disclosed, however, the advisor may be treated as acting for an undisclosed principal and can be held responsible for resulting losses.

Court cases have demonstrated how failure to disclose wholesalers or suppliers can shift financial responsibility to the advisor when a supplier goes bankrupt or fails to deliver services. Proper disclosure is therefore one of the most important risk management practices in travel advising.

**Duties of Travel Advisors**

The existence of an agency relationship automatically creates legal duties owed by the advisor to their principals. These duties exist even when not written into contracts and cannot generally be waived by disclaimers. Courts view these obligations as inherent in professional agency relationships.

The core obligation is known as the **duty of care**, which requires advisors to act with reasonable diligence, competence, and honesty. This duty is evaluated based on what a reasonably skilled travel advisor would do under similar circumstances.

The duty of care is comprised of several components:

- **Duty to act** requires advisors to follow client instructions accurately and within the scope of authority. When clients provide clear travel preferences, the advisor must implement them precisely. Booking incorrect dates, destinations, cabin types, or fare classes can create liability for the cost of correction.
- **Duty of skill** reflects the expectation that advisors possess professional competence. Clients rely on advisors for expertise in booking systems, supplier rules, fare structures, documentation requirements, and itinerary management. Errors caused by lack of knowledge or care are treated as professional negligence.
- **Duty to disclose**, also known as the duty to inform or warn, requires advisors to share material information. Material information is any fact that a reasonable traveler would consider important in deciding whether, where, when, or how to travel. This includes cancellation policies, refund restrictions, itinerary changes, entry requirements, visa rules, health advisories not widely known, severe weather conditions, service disruptions, and additional fees such as resort charges.

Advisors are not required to warn of obvious dangers or matters of common knowledge unless the advisor knows the client is unaware. However, when the advisor possesses specific knowledge that could affect client safety or decision making, disclosure is required.

In some jurisdictions, courts have imposed a **duty to investigate**. This duty requires advisors to take reasonable steps to stay informed about significant developments affecting travel services, such as supplier bankruptcies, widespread safety issues, or major disruptions. Under this standard, an advisor may be liable even without actual knowledge if the information was widely available and reasonably discoverable.

Real world cases have shown advisors held responsible for failing to warn clients about changed visa requirements or known safety hazards. These cases highlight the importance of staying informed and communicating changes promptly.

**Fiduciary Responsibilities**

In certain circumstances, advisors are held to a higher legal standard known as fiduciary duty. A fiduciary is someone who must act with the utmost good faith and loyalty toward the principal. When fiduciary duties apply, the advisor must place the client's interests above their own financial interests.

Under the fiduciary standard, advisors must avoid conflicts of interest, disclose any potential conflicts, and provide the best available advice rather than merely suitable options. The distinction between *suitable* and *best* becomes significant when multiple travel options meet client criteria but vary in overall value, convenience, or benefit.

Several factors influence whether fiduciary duties apply. Some states have case law that automatically treats travel advisors as fiduciaries. Courts also consider whether advisors charge professional service fees, hold industry certifications, market themselves as experts, and provide consulting style services.

When fiduciary duties apply, steering clients toward higher commission options that are not the best choice may create legal exposure. Even when fiduciary duties do not formally apply, ethical standards often require full disclosure and unbiased presentation of options.

Real World Example:

*Advisor is asked to book a room in a four-star hotel in a distant city in connection with Client's attendance at a business meeting. Client advises Advisor that the meeting will be held on the city's north side and that he wants to stay "somewhere close to the meeting." Advisor locates three different four-star hotels in the city with available rooms, and the nightly room rate is the same among all three brands. Hotel A is on the north side, just a few blocks from the meeting location, while Hotel B is closer to the city center, but still only a short cab ride away from the site of the meeting. Hotel C is located on the south side of the city and would ordinarily not be considered convenient to the meeting site. Despite the same room price, because Hotel B offers Advisor a higher commission rate, Advisor's compensation for the booking will be greater if Client chooses Hotel B over Hotel A. However, Hotel C offers an even higher commission rate as compared with Hotel B, and because of this, Agent stands to receive the greatest compensation if he books Client there instead of one of the others.*

If asked by the client to recommend only one hotel, an advisor under the ordinary duty of care standard may recommend either Hotel A or Hotel B to his client, as either hotel is "suitable," that is, both meet the client's criterion of being located close to the meeting. On the other hand, if the advisor is deemed a fiduciary, only Hotel A may be

recommended, as that option is clearly the “best” of the three choices, all other things being equal. Obviously, under either standard, recommending Hotel C would not be an appropriate course of action, as due to its location it is neither a suitable choice nor the best choice for the traveler.

**Legal Compliance in Travel Operations**
Travel agencies and independent contractor agents are obliged to comply with all federal, state, and local laws which apply to their business operations. By “laws,” that means any applicable statutes, acts, regulations, ordinances, etc., wherever they may be implemented, if the member in question is subject to them. So, for example, the travel advisor doing business in Missouri is expected to comply with all Missouri state laws affecting their business, as well as those enacted by the federal government.

Travel advisors operate within a framework of federal, state, and local regulations. Some states also impose seller of travel registration laws that require agencies to register, post bonds, and follow specific disclosure rules. Wanderly Adventures has a business seller of travel in the state of Florida. Our host, Travel Planners International, has a business seller-of-travel in Florida, California, Washington, Iowa and Hawaii.

Certain circumstances beyond the parties’ control may excuse performance. These include mutual mistake, impossibility, and force majeure events such as natural disasters, terrorism, or pandemics. Whether performance is excused depends on specific contract language and applicable law.

Advisors should understand that bankruptcy of a supplier may suspend or eliminate contractual obligations, often leaving clients and agencies without recourse against the bankrupt company.

**Rights of Travel Advisors**
Now that we have talked about the common law duties owed to principals by agents, as well as the legal obligations created by statute or contract, this section focuses on some of the more significant business and legal rights travel agencies and individual travel advisors have.

Chief among the rights afforded to travel advisors is the *right to receive compensation for services rendered.*

In general, as long as the traveler travels later actions between the buyer and the seller usually can’t take that commission away. Under basic agency law, if a travel agency brings a customer to a supplier, the agent is typically entitled to their commission that applied at the time the booking was made. This is true even if the supplier later lowers the price by changing the fare, room rate, or other charges paid by the customer. That said, this is a general legal rule, and it can be changed if the contract says something different.

Though by no means an exhaustive list, some of the other rights accorded to advisors that relate to their legal status as agents include the following:

- To communicate directly with suppliers about supplier policies and practices that affect the advisor and/or the advisor's clients.
- To change booking practices and refuse to sell the services of any supplier, except as may be limited by contract, and provided that such action is not taken in concert with other agents.
- To prefer particular suppliers over others in promotions and sales, to the extent consistent with any fiduciary duty owed to a client or other third party with whom an agency relationship exists.
- To decline to take responsibility, upon proper notice to clients, for the conduct of suppliers or other third parties over which the agency has no control.
- To promote the use by clients of the credit card that provides greater protection for the agency against chargebacks.
- To insist, by legal action if necessary, that clients, suppliers, and other third parties honor their contractual obligations to the agency.
- To respond to journalists and others who wrongfully criticize individual travel advisors or the industry generally.

Taking action in good faith to enforce any of the foregoing rights is entirely permissible and agents are encouraged to assert their rights through any lawful means.

## Liability of Travel Advisors

As detailed in the previous sections, legal liability for a travel agency or advisor may potentially arise in a variety of situations. But while the factual specifics will necessarily vary in each case, exposure to liability for an advisor acting in his or her professional capacity will nearly always fall into one of the following broad categories:

1. The failure to comply with an applicable statute, ordinance, regulation, or similar law. This failure will expose the agent to either a civil enforcement action or, in certain circumstances, a criminal action against the responsible party.
   **Example**: An advisor advertises an airfare in a manner inconsistent with the Department of Transportation's "full and final price" rule.
2. The breach of a duty owed to a third party which arises out of the parties' relationship. Such a breach will typically give rise to a negligence cause of action.
   **Example**: An advisor enters the incorrect airport code when making an airline reservation, booking his client on a flight to the wrong destination.

Among other things, travelers have sought to hold their advisors accountable for the following:

- Travel delays and cancellations
- Dissatisfaction with third-party services, for example, lodging, tours, etc.
- Bankruptcy or insolvency of supplier
- Deceptive or undisclosed charges, such as hotel resort fees
- Changes in tour or cruise itineraries
- Denied travel insurance claims
- Lost, stolen, or damaged personal property
- Personal injury or death

People have tried different legal arguments to hold advisors responsible when things go wrong. Some of those arguments are stronger than others, depending on the specific situation. That said, these claims usually come down to **negligence**, which means using basic common-sense rules about whether someone acted reasonably.
In practical terms, an advisor generally should **not** be held legally responsible unless **all** of the following are true:

1. The advisor had a responsibility to take reasonable care for the traveler.
2. The advisor failed to act with reasonable care.
3. That failure directly caused the problem or injury.
4. The problem or injury was something the advisor could reasonably have expected might happen.
5. The traveler actually suffered harm or loss as a result.

## Real World Case Applications

Court cases have shaped modern travel advisor liability. In cases where advisors failed to disclose wholesalers, agencies were held responsible when suppliers went bankrupt. In visa requirement cases, advisors were held liable for failing to inform clients of changed entry rules. In safety related cases, agencies were held responsible for failing to warn clients of known risks.

These cases reinforce the importance of disclosure, staying informed, and documenting communications:

### *Van Rossem v. Penney Travel Service, Inc.*

The travelers, Mr. and Mrs. Van Rossem, made reservations with the travel agency for a honeymoon trip to Jamaica. Unbeknownst to the clients, the agency, Penney, used a wholesaler, Lotus Tours, to book the trip. On the day the plaintiffs were scheduled to depart, they were informed by Penney that Lotus had gone bankrupt. They also learned that Lotus never paid the resort for the cost of their stay, even though they had already paid Penney in advance for the entire trip. As a result, the Van Rossems were forced to pay for accommodations at another resort in Jamaica. They then sued the agency for the resulting damages.

At trial, the Van Rossems testified that Penney failed to disclose either the fact that it was acting as an agent for a wholesaler or the identity of that wholesaler. As such, the plaintiffs knew nothing of Lotus' involvement in the transaction until Penney advised them of its bankruptcy filing on the eve of their honeymoon.

The court determined the Van Rossems, having no knowledge of the wholesaler, did not expressly consent to the travel agency's use of Lotus. As an agent to an undisclosed principal, the travel agency could properly be held liable for the actions of Lotus.

Accordingly, the court decided in favor of the travelers.

### *Levin v. Kasmir World Travel, Inc.*

The travel agency, Kasmir World Travel, booked a flight from New York to Paris for the plaintiff's minor daughter. Upon arriving in France, she was advised that she needed a visa to enter the country and was immediately returned to the U.S. The visa requirement had recently been adopted by the French government in an effort to deal with terrorist activities directed at Americans abroad. Levin sued Kasmir, alleging that she was not informed of the visa requirement and that Kasmir was negligent for failing to have done so. At trial, Levin further testified that a few years before her daughter's trip, she had entered France without the need for a visa. Kasmir denied liability, claiming that it acted strictly as a mere "ticket agent" and therefore owed no duty to Levin to inform her of any applicable travel requirements.

The court expressly rejected Kasmir's contention, finding that "a travel agent is not merely a dispenser of tickets but also a fiduciary on whose expertise a traveler may reasonably rely." As such, Kasmir indeed had a duty to notify Levin about the need for a visa before her daughter traveled. Moreover, it was reasonable to expect Kasmir to alert its passenger to important changes in the visa requirements of foreign nations, as the agency was in a position to disseminate this basic travel information. It was also reasonable for Levin to rely on Kasmir's expertise to supply this information.

Having failed to do so, Kasmir was liable to Levin for damages.

### *Maurer v. Cerkvenik-Anderson Travel*

The traveler, Molly Maurer, purchased a tour from Cerkvenik-Anderson Travel ("CAT"), a travel agency and tour operator that promoted vacations to Mexico for college students. The purchased tour package included an eighteen-hour train ride from Nogales to Mazatlán, described as a "party train." Onboard the train, while attempting to move from one passenger car to another in the darkness, Molly fell onto the tracks to her death. Prior to booking Molly's tour, CAT was aware of three other deaths on the same trains, albeit under somewhat different circumstances, but she received no warning. In their subsequent wrongful death action, Molly's parents argued that CAT and two of its advisors were negligent because they failed to exercise reasonable care for the safety of their client in operating the tours and failed to disclose material safety-related facts when promoting and selling the tour. In defending the suit, CAT argued that it had no such duties as an agent, and in any event, it lacked control over the operation of the train and had no knowledge of the specific condition which caused Molly's death.

The court ruled in favor of the Maurers, determining that:

1) the agency was a special agent to the client for the purpose of that transaction;
2) the client was owed a fiduciary duty; and
3) the advisors had a duty to disclose all information that was material to the client.

This training module underscores that travel advising is not only about planning exceptional experiences but about operating within a clearly defined legal framework that carries real responsibilities and real risk. By understanding agency law, authority, disclosure obligations, duties of care, fiduciary standards, regulatory compliance, advisor rights, and potential liability, travel advisors are better prepared to make informed decisions in everyday client interactions. The case examples throughout this module illustrate how courts evaluate advisor conduct and why documentation, transparency, ongoing education, and clear communication matter. While no training can eliminate risk entirely, a solid grasp of these legal principles allows advisors to protect their clients, their commissions, and their professional reputation while building a practice grounded in trust, accountability, and long term credibility.