

Let's talk cruise credits, passenger protection and when they don't make sense

Christopher Elliott Special to USA TODAY

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A week before Carolynne James's Rhine river cruise last spring, she got some bad news: Uniworld had canceled her sailing and issued a future cruise credit.

But James, a retired office administrator from Columbia, Missouri, didn't want the cruise line's voucher. Prices for the same cruise that following summer were running twice what they were during the deeply discounted 2021 season.

"I'll need to spend another \$10,000 – excluding airfare – just to go on the same trip," she said. "I really do not want the vouchers."

It was bad enough that she would never be able to enjoy the postcard-perfect views of Germany's Rhine valley. Now she faced the real possibility that her cruise line would pocket the \$10,174 she'd paid.

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What should you do with a cruise voucher?

Cruise lines loved issuing credits for sailings canceled during the pandemic, which allowed them to keep your money – and may have saved them from bankruptcy. But sometimes the credits only last a year or two, and the cost of a new cruise is often considerably more than the original one, making it unaffordable for some passengers.

So, what do you do with your cruise credits?

James was in a bind. She had a limited time to use her vouchers, but prices for her European river cruise, which was supposed to be a 40th anniversary present for her husband, were unaffordable. She tried to file a claim with her travel insurance company, but it said she wasn't eligible because her policy didn't cover a cancellation by the cruise line.

What do you do with a credit you can't use? I asked Uniworld. A representative reached out to her and agreed to refund the vouchers and her travel insurance, after my intervention. (I have a free guide on booking a cruise that will help you avoid a problem like this in the future.)

So far, only about 60% of pandemic cruise vouchers have been redeemed, according to estimates by Internova Travel Group. Many passengers don't fully understand the terms of these vouchers, according to John Lovell, president of Travel Leaders Group, a division of Internova.

Not only that, but some cruise lines increased their credits to 125% of the value of the cruise, Internova estimates. And, as Lovell explains, even though the base credit has no expiration date, the extra 25% does.

"Generally, the future cruise credits do not have an expiration date," he explained. "Only the bonus piece of the additional 25% expires on the date specified."

Are cruise lines allowed to keep your money when they cancel?

Cruise passengers used to be out of luck when it came to refunds. During the pandemic, some cruise lines arbitrarily converted their money to future cruise credits without even asking. The reason? The cruise line's ticket contract allowed them to do it, and no laws prevented them from keeping a customer's money indefinitely. Or so they claimed.

But that wasn't entirely true. Some states, such as Massachusetts, had laws that required a cruise line to offer a refund after a canceled cruise or tour. And last year, a new federal rule went into effect that requires a cruise line to offer a full refund for a cruise that begins in the U.S. and is canceled or is delayed by at least three days. The law also makes cruise lines refund any prepaid fees.

None of these laws should have been necessary, of course. If a cruise line cancels your cruise, it should offer a quick refund no matter what the law says. If your cruise line canceled your vacation during the pandemic and kept your money, you're dealing with an unethical business.

How long do I have to use my cruise credits?

Most cruise credits issued during the pandemic last at least two years. However, many cruise lines have routinely extended the validity of these future cruise credits when passengers ask. And some go even further.

"Your cruise company may not openly advertise it," said Narendra Khatri, principal of Insubuy, a travel insurance company. "But some have offered to convert cruise credits to monetary refunds this year if the credit was due to a cruise cancellation."

For example, NCL will allow customers to convert an existing credit to a monetary refund if they've been affected by two or more cruise suspensions. You can also get a cash refund if you canceled through NCL's Peace of Mind policy and then were affected by at least one additional suspension, according to the company.

"The actual amount you would get back will depend on the cruise line and circumstances, but it's worth contacting them if you can't negotiate an extension or make time to take another cruise before the credit expires," Khatri said.

Cruise passengers need more protections

The issue of future cruise credits is endlessly frustrating not just to passengers but also to travel advisors and consumer advocates. It's remarkable that until recently, the law allowed cruise lines to cancel a sailing and keep your money. Clearly, much more needs to be done to protect cruise purchases.

A cruise line should always offer the choice between a full refund or a future cruise credit when it cancels a sailing – no matter where it's going. The federal law only applies to cruises that leave from U.S. ports. If you're shopping for a cruise and can't get that promise in writing, don't give the company your business. And no waiting three days. If it cancels, it should refund you right away.

EV rentals: The price of an electric vehicle may be coming down – but not if you're renting one

Ready for spring break? So is everyone else. Here's what to expect

Pro tips for dealing with cruise credits

► **Know your rights:** You do have some rights – but not many. Check your cruise line ticket contract, the legal agreement between you and the cruise line. There's also a passenger bill of rights with some limited consumer protections. The Federal Maritime Commission also has information about your passenger rights, limited as they are, on its website.

► **Negotiate a better deal:** The pandemic credits are uncharted waters for the cruise industry. They made up the policy of offering a 125% credit on the fly and then adjusted their policies as the pandemic continued to evolve. Travel agents have privately told me that when it comes to future cruise credits,

cruise lines are often far more flexible in practice than they are on paper. You may be able to negotiate an extension of your full voucher – or a full refund.

► **Check your account often:** Cruise lines change their policies occasionally and don't always announce it. "Check your account periodically," said James Hills, owner of the website CruiseWestCoast.com. A new credit may appear – or disappear – depending on the cruise line's new rules. "Don't be neurotic," Hills said, "but you never know what you might find."

Christopher Elliott is an author, consumer advocate, and journalist. He founded Elliott Advocacy, a nonprofit organization that helps solve consumer problems. He publishes Elliott Confidential, a travel newsletter, and the Elliott Report, a news site about customer service. If you need help with a consumer problem, you can reach him here or email him at chris@elliott.org.