

DTRVA – Tystiolaeth ychwanegol | Additional evidence

Senedd Cymru | Welsh Parliament

Pwyllgor yr Economi, Masnach a Materion Gwledig |
Economy, Trade, and Rural Affairs Committee

Bil Datblygu Twristiaeth a Rheoleiddio Llety Ymwelwyr (Cymru) |
Development of Tourism and Regulation of Visitor Accommodation (Wales)
Bill

Ymateb gan: Airbnb

Evidence from: Airbnb



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Welsh Parliament
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Supplementary correspondence: Economy, Trade & Rural Affairs Committee evidence session on the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Dear Mr Davies,

Thank you for the opportunity to appear before your committee on 20th November and give evidence on the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill. During the discussion, I offered to write to the committee with further details about the resource and technical implications of imposing liability on intermediary platforms for offences under Sections 46 and 47 of the bill.

I would restate that the proposal to make online platforms and their senior officers legally liable for the accuracy of a registration number inputted by a visitor accommodation provider (VAP), among other requirements, is out of keeping with established practice in other jurisdictions that have introduced short-term lets regulation, including the Scottish licensing rules, the forthcoming registration system in England and the EU STR Regulation. It is unreasonable and disproportionate for platforms and their employees to face prosecution for criminal offences as a result of actions that they have not participated in, over which they have no control, and of which they are unaware. It is incompatible with the well-established legal principle of intermediary liability, which also provides platforms with protections against general monitoring obligations. These safeguards are fundamental to the effective functioning of online businesses and it is unclear to us whether the Welsh

Government recognises the extent to which it is proposing such a significant departure from the long-standing framework on digital regulation in the UK, especially when the desired objectives could be achieved through other, simpler means.

It is reasonable that the Welsh Government wants to ensure that accurate registration numbers should be displayed, but there appears to be confusion as to how to achieve this. In our conversations with officials, it has been suggested that, in addition to imposing liability on platforms and their officers, this problem could be overcome by requiring platforms to validate registration numbers by syncing with the registration system through use of an API. This solution was alluded to in remarks by Jenny Rathbone MS during our evidence session, as well as by Anthony Pritchard, Chief Digital Officer at the Welsh Revenue Authority (WRA), who told your committee on 5th November that there were steps platforms could put in place to validate registration numbers and property addresses, and that this would be “easy” to do.

In fact, API integration between platforms and the registration system operator would create considerable problems for end-users, would be disproportionately burdensome and costly for both intermediaries and the Welsh Government, difficult for smaller accommodation providers or platforms to implement, and would disempower the WRA from enforcing the rules. I have set out below a more detailed explanation of our concerns, as requested by your committee, along with our suggestions for a simpler and less burdensome but equally effective way of achieving the Welsh Government’s objective, which we understand to be ensuring that VAPs are not able to continue to list unlicensed properties, and that non-compliant premises can be swiftly removed from platforms.

- **API integration is highly vulnerable to inadvertent user error, and disruptive to businesses and guests.** The API model informally suggested by the Welsh Government would rely on matching full address strings. In our experience, this approach is highly vulnerable to minor errors or discrepancies, for example where the user makes a spelling mistake, where streets or neighbourhoods have multiple names or abbreviations, or where addresses in government databases differ stylistically from the corresponding addresses that show up in Google Maps, from the address that the platform holds, or even from the way that people write their own address. An API would automatically block or remove from platforms not just egregious discrepancies, but where there were any formatting inconsistencies, even if minor or clearly inadvertent. This would be even more of an issue were the

WRA to require that platforms validate addresses, as suggested by Anthony Pritchard in his evidence to you on 5th November, and would be highly problematic given that addresses contained on booking platforms may not exactly match the way they appear in other databases.

- **Removes enforcement decision making powers from the WRA.** The automated nature of an API would remove the WRA (and indeed humans) from any oversight of enforcement, and could potentially disrupt investigations into suspected non-compliance in other areas. The API system proposed by the Welsh Government would automatically and immediately block publication or remove any existing accommodation premises from intermediaries in the event of any discrepancy between the registration number entered by the VAP and the number held by the WRA.
- **An API solution would increase WRA workload significantly.** In scenarios such as those outlined above, the WRA would have to investigate and assist VAPs in resolving address mismatches, registration errors, and refusal appeals, requiring increased resources to manage complaints and appeals, and the need for technical support staff to investigate and assist legitimately licenced VAPs in resolving any delisting of their premises. The issues highlighted above in relation to address accuracy would only increase the issues and workload here.
- **Expensive to implement on both sides.** APIs require significant investment to implement and maintain, which will need to be borne by both the registration scheme operator and booking intermediaries. For these types of schemes, the costs can often fall in the region of hundreds of thousands of pounds.
- **Complexity of maintenance.** API models are not only expensive to implement, but are complex to maintain. Common issues like system outages and technical problems will require ongoing technical support to address and to field inquiries and requests for assistance from VAPs.
- **Disadvantages smaller booking intermediaries and VAPs who take bookings online through their own systems.** Every platform has a different operating model, so stages of software integration and development will vary widely across companies. Smaller intermediaries may not have the resources to integrate and maintain their integration with the API, which would create unfairness and favour larger platforms at the expense of smaller businesses or start-ups.
- **Unclear who could gain access to the API and under what conditions.** It is not clear whether every platform would automatically be approved for

integration with the registration system, or whether there would need to be a vetting process in the case of new or startup booking intermediaries.

In my oral evidence, I mentioned that platforms are keen to assist, and there are steps we can take which would create a very high barrier to non-compliance. Instead of placing liability on platforms for the accuracy of a registration number inputted by a third party, intermediaries should require in-scope VAPs to enter a registration number on their listing in a format that is consistent with the unique design of the licensing regime in Wales. Ensuring registration numbers must follow a complex, set format creates a very high barrier to fraud or deliberate attempts to evade the obligation on VAPs to input an accurate number. Platforms can display the inputted number in a single place in any online listing, so the WRA or local enforcement bodies can quickly ascertain if a listing is displaying a registration number.

The WRA should also engage early in conversations with platforms about what an effective notice and takedown process might look like. We would encourage them to look at the data sharing model that has been adopted by the UK Government for the register of short-term lets in England, under which platforms will share with the system operator all registration numbers used on their platform on a monthly basis, and by return receive a list of those which should be deactivated. This would ensure that any illegal, unlicensed or non-compliant listings can be speedily removed. We understand that this is the framework that is being considered for the overnight accommodation register, due to launch in October 2026, and there is no reason why it would not be similarly effective for the licensing scheme should the bill be approved by the Senedd. We also believe that this reinforces the logic of the original intention to wait until registration had been fully implemented, before taking learnings from that and only moving ahead with licensing if evidence and data showed that it was necessary.

While Airbnb strongly disagrees that there is a need to introduce licensing for the purpose of regulating the health and safety of visitor accommodation in Wales, these changes would bring the bill more closely in line with international best practice, achieve the objective of preventing unlicensed or non-compliant short-term lets from being able to take online bookings, and avoid a situation whereby platforms are held liable for activity over which they have no control. We do not accept the comments by Professor Drakeford, made during the evidence session on the afternoon of 20th November, that in raising our concerns platforms are seeking to evade their responsibilities. Although we note his comments that having in place the procedures suggested in this correspondence could constitute a “reasonable defence” for

offences under the bill, this still creates significant uncertainty for all intermediaries, leaves it to a future court to determine the precise interaction between platforms and the licensing scheme, and raises the question of why it is necessary to impose such liability at all, particularly given your officials suggested that they did not anticipate enforcing against platforms.

I hope this is helpful, but please get in touch if your committee has any further questions on these points.

Yours sincerely,

Carl Thomson

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