

Most Flyers Don't Know About the 24-Hour Rule, but It Could Save You Big on Your Next Flight

(Courtesy of Caroline Morse Teel, SmarterTravel)

The 24-hour reservation requirement is something that the airlines don't want you to know about. [The rule](#), created by the US Department of Transportation (DOT), requires all airlines that operate flights to, from, or within the United States to give passengers a full refund if they cancel their flight within 24 hours of purchasing a ticket.

Under the rule, airlines must refund the full fare to the original form of payment (not via a travel voucher or flight credit) if a ticket is canceled within 24 hours of purchase—even on nonrefundable fares.

How Can This Rule Save You Money?

Imagine you bought a plane ticket, and then the next day, the airline has a big flight sale and the price for your itinerary is now lower than what you paid. If it's been less than 24 hours since you bought your ticket, you can simply cancel the ticket and then rebook at the lower price without worrying about change or cancellation fees.

We recommend checking the price of your ticket a few times throughout the 24 hour period after you book to see if fares decrease—this strategy often pays off and you'll be able to rebook and save.

Knowing about the 24 hour rule can also give you peace of mind if you see an incredibly low fare that you want to jump on. Rather than waiting on getting approval from your boss for time off or for your travel companion to get back to you (and potentially missing out on that cheap flight) you can simply book the ticket, and if it doesn't work out, cancel it within 24 hours for no penalty.

If you booked a ticket quickly, you can also take advantage of the 24 hour period to double-check the information on your reservation (like making sure you didn't spell a passenger's name incorrectly)—something that airlines could charge you to correct.

Important Exceptions to the Rule

This rule only applies if you're booking directly with the airline. If you book through an online travel agency like Expedia, you'll have to abide by the company's refund policy (which is usually not as lenient.)

Airlines can choose to offer customers the ability to hold a fare for free for up to 24 hours in lieu of offering a refund within 24 hours. Be sure to check that the airline you're booking with doesn't offer this before you buy your ticket—[American Airlines](#) is one that offers the free 24 hour hold. If the airline does offer the free hold, you can still save money by putting the fare on hold and waiting to see if the price drops within 24 before you actually buy the ticket.

This rule only applies to flights booked at least seven days before departure, so you won't be able to get a refund if you're booking a ticket less than a week before you fly.