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Subject: Timeshare, Timeshare Sales, Holiday Clubs

Relevant or Related Legislation: Timeshare Act 1992, Timeshare Directive (94/47/EC), Timeshare Regulations (SI 1997/1081)

Current Position

The European Commission is committed to reviewing the Timeshare Directive to tackle areas not currently falling within its scope. For example post-contractual issues.

However, the Commission's priority is currently the development of the proposed Framework Directive on Unfair Commercial Practices, which is likely to be issued in 2004. It is intended that this Directive will provide a broad 'safety net' of consumer protection and may therefore have an impact on timeshare regime.

An amendment to the Timeshare Act 1991 came into force on 31 October 2003. The amendment ensures that consumers receive clear and accurate information on their right to cancel timeshares when they sign a contract. Cancellation information should now be included in the contract instead of on a separate form.

Key Facts

- Timeshare means buying the right to spend a set period in a holiday property each year for at least three years.
- If timeshare is bought anywhere in the European Economic Area (EEA), consumers have minimum rights to protect them against unscrupulous sellers. These are:
 - A minimum 10 day cooling off period in which to cancel the contract; in the UK this cooling off period is 14 days.
 - Timeshare sellers cannot seek or take deposits prior to, or during, the cooling off period.
 - The right to a brochure and a written contract setting out basic information on the timeshare property in the buyers own language.
 - There are a number of timeshare related products which are not subject to the timeshare law. Consequently customers do NOT have the same protection and rights: These are:
 - Holiday or vacation club schemes - where membership of the club is not linked to any rights in any particular property.

- Timeshare resale. Remember that the second-hand value of most timeshares is far less than the price when new.
- Timeshare in floating vessels (e.g. narrow boats, pleasure boats and houseboats).
- Timeshare lasting less than three years.

▲ Frequently Asked Questions (FAQs)

Q1. If I am sold a timeshare whilst on holiday, what are my rights if I wish to cancel on returning home?

Q2. Who do I complain to if I feel I have been pressure sold to whilst on holiday?

Q3. Is there a trade association that looks after the timeshare industry?

Q4. I have received offers to help me sell my timeshare property - should I be wary?

Q5. Are Holiday Clubs the same as Timeshare?

Q6. I've just won a free holiday, is it really free?

▲ Q1. If I am sold a timeshare whilst on holiday, what are my rights if you wish to cancel on returning home?

If you buy within the UK, you have 14 days in which to cancel the contract. If you buy anywhere in the rest of the EEA then you have a minimum of 10 days. You should remember not to take any money, credit card or a cheque book with you if you go to a timeshare presentation because the sellers cannot take any up-front money during the cooling off period. If you are not sure or happy about buying the timeshare then you should walk away. You also need to get everything in writing and make sure you read and understand it all - do not allow yourself to be rushed or bullied into signing anything there and then.

▲ Q2. Who do I complain to if I feel I have been pressure sold to whilst on holiday?

If in the UK, you need to contact your local Trading Standards Office (TSO) as they are responsible for enforcing the Timeshare legislation here. If you are overseas at the time then that country's equivalent of UK's TSOs.

▲ Q3. Is there a trade association that looks after the timeshare industry?

The Organisation for Timeshare in Europe (OTE) is a leading trade association which represents timeshare, holiday clubs and resale companies located throughout Europe. All of its members follow a strict code of practice and it also provides a free advisory and conciliatory service for anyone who deals with its members. For information, advice and help Tel: 00 322 533 3069.

▲Q4. I have received offers to help me sell my timeshare property - should I be wary?

Yes. You should be extremely cautious before committing to selling your property to or with the help of any company without first seeking legal advice. The Department regularly receives reports and complaints about the trading activities of some Timeshare resale companies who approach timeshare owners (often by cold calling) and offer them a marketing service for an up front fee. This can then lead to requests for "add on fees" which allegedly to cover lawyers, land registry, tax arrears etc. These companies often claim to have potential purchasers wishing to buy at lucrative prices but once the fees are paid sales rarely take place and, where they do, it is often at a selling price that barely covers the fees.

Timeshare sellers may also persuade you to buy a better property on the understanding that he or she will sell your current property. The sale never happens and you are left with two timeshares.

The Vacation Owners Independent coalition in Europe (VOICE) info@voice.eu.com (Tel: 0870 240 8993) was recently set up to operate a consumer information and help service in areas like resale. This is a joint initiative between the Organisation for Timeshare in Europe and the Association of Timeshare Owners Committee. You would do well to contact VOICE for advice if you intend to sell your Timeshare.

▲Q5. Are Holiday Clubs the same as Timeshare?

During 2003 the Office of Fair Trading launched a campaign warning people about dangers relating to Holiday Clubs. The OFT advise that because Holiday Clubs are not covered by timeshare law there are no automatic cancellation rights for those who change their minds. Bogus holiday club companies exploit this by employing high-pressure sales techniques such as long presentations – lasting as long as six hours – to get customers to sign a binding contract. With promises of a once in a lifetime opportunity, dream holidays for life, special one-day only offers or cashback on the scheme, it can be tempting to sign up. But with no cooling-off period, people should always take the contract away to consider before signing. For further information visit the OFT's website (www.offt.gov.uk).

▲Q6. I've just won a free holiday, is it really free?

"Free" holidays won by methods such as scratch cards are rarely free. They are usually Holiday Clubs which require membership before you can claim your free holiday. For more information contact the Office of Fair Trading on 0870 60 60 321 to obtain a copy of their leaflet "Congratulations you have not won a FREE luxury holiday!"

Enquiries

You should contact your local [Citizens Advice Bureau](http://www.nacab.org.uk) (<http://www.nacab.org.uk>) who can give you legal advice about your rights under the current law. Also your local [Trading Standards Department](http://www.tradingstandards.gov.uk) (<http://www.tradingstandards.gov.uk>) who are responsible for enforcing timeshare law within the UK. You can find the local address

and telephone numbers of these organisations by visiting their web sites and entering your postcode. Both should also be listed in your local phone book.

If you do wish to seek a legal remedy, then you might like to contact the [Law Society](#) on 0207 242 1222 or visit <http://www.solicitors-online.com> and select the topic travel and tourism. The Society can provide you with a list of solicitors who have knowledge and experience of dealing with timeshare and related issues.

Further information, advice and help is also available from:

Founded by the Association of Timeshare Owners' Committees (TATOC) and the industry trade body Organisation for Timeshare in Europe (OTE), the Vacation Owners Independent Coalition in Europe (VOICE), www.voice.eu.com. acts as an independent not-for-profit organisation liaising between timeshare owners and the industry. Launched in the UK, VOICE also provides general information and advice on timeshare issues to consumers. VOICE can be contacted on 0870 240 8993 and at info@voice.eu.com

The Timeshare Consumers Association is able to offer consumers advice and information on many problems relating to timeshare and holiday clubs. Tel: 01909 591 100; email: info@timeshare.org.uk Website: www.timeshare.org.uk

The Consumer Gateway is a DTI website which offers information and advice to consumers on a range of issues (including timeshare). For further details see <http://www.consumer.gov.uk>