

Notice from Diamond's Legal Team

Important warning regarding the use of timeshare claims businesses

If you are concerned about the legitimacy of this email, please log in to your online account and see the 'What's New' post entitled 'Claims Company Advice from Diamond Resort's Legal Team 2020.'

The COVID-19 lockdown seems to have resulted in a marked increase in the number of unsolicited telephone calls, texts and emails being received by our members from 'claims companies' who suggest that they are in a position to facilitate a 'guaranteed' release of the member from their timeshare ownership. Often, these assertions are coupled with promises that they will also be able to secure a refund/partial refund of the purchase price paid by the member for their timeshare (ordinarily before any meaningful assessment of the merits of the member's case have been considered). Inevitably, a sizeable upfront fee is required.

As claims companies file for voluntary liquidation (to prevent dissatisfied customers from recovering fees paid to them) or are closed down by the regulators, their personnel set up new claims companies and carry on with their deceptive practices. Some of them even change their tactics by claiming to be able to recover fees paid to the previous claims company. Over 100 businesses have been identified as operating in deceptive and fraudulent ways or simply failing to deliver the promised services. Regrettably, this has even included regulated businesses and solicitors. Fake lawyers have also been springing up.

We are aware that some members have been deceived as many as five times. Tragically, one Diamond member reported having paid over £70,000 in fees to various claims companies before concluding that he had been let down by all of them, and turning to Diamond's legal team for assistance.

In our experience, these claims companies generally do very little of any substance in return for the fees they have been paid. That said, they are VERY convincing and use various FABRICATED scare tactics, including:

- i) Casting doubt on the validity of timeshare contracts,
- ii) Falsely asserting that it is Diamond's intention to withdraw the surrender/relinquishment options,
- iii) Erroneously asserting that all requests for surrender/relinquishment have to be submitted to the U.S. for approval, will take over 12 months to consider and are likely to be declined
- iv) Erroneously asserting that memberships that were previously successfully surrendered at the member's request and with Diamond's agreement will be reinstated, and that the member will be pursued by Diamond for Maintenance Fee liabilities that have accrued in the interim,
- v) Erroneously asserting that Diamond is going to 'asset strip' and close down all of the Diamond U.K. resorts in the next 18 months,
- vi) Erroneously asserting that due to a recent European Court ruling, from 12 December 2020, timeshare members will have to pay a 21% local Government tax on top of their Maintenance Fees if they wish to stay at any Diamond accommodation in Europe,
- vii) Erroneously asserting that Diamond is able to (and will) prevent the sale (in 2027-2029) of accommodations that were placed in trust for the Diamond Fractional Owners Club,
- viii) Erroneously advising members that their memberships have been successfully terminated by the claims company when they have not, and
- ix) Advertising false testimonials from alleged members who they purport to have assisted.

Our Recommendations

As you know, we have been working for some time with the Timeshare Task Force, the police and Trading Standards to prevent such unlawful activity. There have been a number of successful prosecutions already, and we are confident that there are more prosecutions to come.

If you would like to relinquish your membership, we recommend that under NO circumstances should you make payment to a claims company prior to contacting Diamond, so that we can discuss your options with you. The options we may be able to offer you are likely to be significantly cheaper, quicker and simpler than anything the claims companies purport to be able to offer. Our team members are there to assist you.

For exit options, please call 0044 (0)345 3590007.

To report unsolicited contact or to discuss any other concerns you may have regarding claims company activity, please call our Customer Services Department on 0044 (0) 345 359 0010.

On this point, we are aware of a recurring provision in the contracts of a number of claims companies requiring the member to refrain from contacting Diamond (or any independent adviser), and purportedly placing the member in breach of contract if they were to do so, entitling them to retain all fees paid and, in respect of at least one claims company, impose an additional financial penalty. This clause is wholly inappropriate and we believe in contravention of section 62 of the Consumer Rights Act 2015 (in which case unenforceable). The clause is clearly incorporated for one of two reasons: either to prevent a simple and cheap resolution from being achieved by the member directly with Diamond OR to minimize the risk of adverse information about their operations being disclosed about them by Diamond to the member.

We also strongly recommend that you refrain from providing any unsolicited caller (including any unsolicited caller purporting to be calling on behalf of a Governmental agency) with personal information or from making any payments without first verifying their identity/authenticity and company status. Regrettably, almost all companies making unsolicited contact have been shown to be rogue in nature.

Free Help with Checking and Due Diligence

KwikChex Ltd, via the Timeshare Task Force, provides a free service to consumers wanting to check the legitimacy of businesses operating within the timeshare sector. It also provides assistance to Timeshare owners who may have concerns or questions about their timeshare ownership. Kwikchex works closely with law enforcement bodies, including the police and Trading Standards, and is a Corporate Affiliate Member of the Chartered Trading Standards Institute. It is the only resource of its kind that is officially vetted and approved by U.K. Trading Standards.

Given the vast scale and nature of the problem, KwikChex is urging consumers to use the Timeshare Task Force resources (accessible on the following link: www.timesharetaskforce.org) to check the legitimacy of businesses offering timeshare relinquishment and claims. Please report ALL unsolicited contact to Kwikchex.

Kwikchex has also recently launched a new website: <https://timeshareexitconcerns.co.uk>. This website contains additional advice about the latest timeshare 'exit' scams and enables active participation by affected consumers. The attachment to this notice ('Spot a Scam, Stop a Scam') has been provided from the website with Kwikchex's kind permission.

For the sake of transparency, the Timeshare Taskforce initiative is funded by the Resort Development Organisation - the European trade association for the vacation ownership industry.

As always, we hope that this is helpful.

Sincerely,
Diamond Resorts Legal Team