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## EUROPEAN NEWS

### RESALE COMPANY ETOO IN BREACH OF ADVERTISING CODE

The Organisation for Timeshare in Europe has welcomed the decision by the Advertising Standards Authority (ASA) in the UK that advertising by the resale company, ETOO, (the European Timeshare Owners' Organisation) has breached its Code.

Consumers had challenged TV advertisements by the company that it sold timeshare weeks or points and, in other areas, made claims that were misleading.

In information supplied by ETOO, the ASA noted that in the period from 1<sup>st</sup> November 2007 to 30<sup>th</sup> April 2008, 3,528 people registered to sell their weeks or points. In the same period 275 people sold a total of 405 timeshares or points.

In its adjudication, ASA estimated that the proportion of registered clients who achieved a sale would be around eight per cent.

Over a longer period, based on an auditor's report, 4,106 timeshares were sold between May 2002 and December 2007 and that 20,554 new members joined ETOO during that period. The success rate of re-sales was just 20 per cent.

According to the adjudication, "even allowing for the time lag between registration and sale, and for a generous margin of error, the information provided showed that the vast majority of clients were unlikely to be able to sell their timeshare or points as claimed".

In its conclusions, the ASA stipulated the following action:

The ETOO TV advertisement must not be broadcast again in its current form;

Future advertising should state the chances of a consumer making a sale and the requirement to sign a 12-month contract and pay a fee that was typically £850; and



Any ad should also state that consumers might be required to travel overseas to meet a buyer or attend a presentation at their own expense.

Along with OTE, other complainants to the ASA included the Office of Fair Trading in the UK and the European Consumer Centre, based in Spain.

#### **POLICE SHUT DOWN DTMC SALES DECKS IN TENERIFE**

Police have closed sales decks pedalling Discount Travel Membership Clubs (DTMCs) at four locations in Tenerife. The decks were operated by a company called Club Class Concierge.

In other developments, the police shut down two re-sale companies – Travel Gold Internacional 2004 SL and Innovate in Time SL – based in Benalmadena on the Costa del Sol. The principals are being sought by the authorities.

Police have also arrested a French national on charges of fraud, falsifying documents and conspiracy in relation to a timeshare re-sale business. He was arrested in northern Spain although he was operating primarily out of Tenerife.

His companies comprise: Isla Linda Canarias SL; Consultancy Group Europe SL; Alabama Development Ltd; Masol Comunicaciones SL; Larimar Ltd; Thompson Investment Branco; Discovery Planet SL and Alma Financial Investment SL.

Over a seven-month period, it is alleged that his activities cheated consumers out of 272,000 euros.

**Mirror.co.uk**  
**NEWS**

## INVESTIGATE: STAY AWAY FROM ETOO? TOO RIGHT

Penman & Sommerlad 28/08/2008

### **Timeshare firm grilled over rip-off fees and hidden costs**

Timeshare outfit ETOO wants to be your "first choice" for selling unwanted weeks. Here's why we think you should make it your last.

In the past six years, ETOO - aka the European Timeshare Owners Organisation - has taken up to £17.5million in fees from people desperate to off-load timeshares they either don't want or can't afford.

Yet the firm's own figures show they have sold just one in five.

And even that deeply unimpressive figure depends on your definition of the word "sold".

Demetri and Pat Demetriou found out exactly what "selling" their timeshare through ETOO entails.

They paid the firm £1,910 after it promised to sell their two timeshares. They were told to travel to Portugal, at their own expense, to meet a buyer. Smelling a rat, they invited us along.

There we confronted ETOO salesman Mark Walker in a cafe. He seemed more interested in his fry-up than the Demetrious' problem, but he offered to take the timeshares off their hands in part-exchange - if they stumped up yet more money to join his Club Class Concierge.

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Other victims have told us how they have been pressured into paying a membership fee of, typically, £850. For what exactly? ETOO says it is to pay for their £75,000-a-month TV, newspaper and online advertising budget - for ads like the one banned by the Advertising Standards Authority this week.

In it, a voice says: "Looking to sell your timeshare or points? You need to speak to ETOO... ETOO should be your first choice to purchase, sell or exchange your timeshare." The ASA got more than 50 complaints about the advert from people feeling they'd been ripped off. They said it failed to mention they had to pay an upfront fee, sign a year-long contract and might have to pay travel costs to attend a presentation overseas.

But ETOO hit back, saying the level of complaints was "minimal" and blaming "over-zealous telemarketing executives" - the same excuse they gave us.

They provided figures showing that, during a recent six-month period, 11.5 per cent of members got a sale. But older figures show that out of 20,554 members since 2002, just 4,106 timeshares were sold - a "success" rate of 20 per cent.

The ASA said: "Even allowing for the time lag between registration and sale, and for a generous margin of error, the information provided showed the vast majority of clients were unlikely to be able to sell their timeshare or points, as claimed."

The ASA upheld all complaints and ordered that the ad must not be broadcast again.

That is welcome news for David Tubb, from Stamford, Lincs. He is still chasing the £850 he paid to ETOO earlier this year.

Told that a buyer had offered £8,186 for his timeshare, he agreed to fly to Malaga to complete the deal. He ended up in an eight-hour Club Class sales pitch, where he was asked to hand over another £9,000 and they'd take the timeshare off his hands.

David was also promised £10,000 cashback in three years' time from Cashback Europe PLC.

Etoo, Club Class and Cashback Europe all use the same Gibraltar mailing address. Which is also the address of the "independent" trade body International Timeshare Resale Association. Says it all, really.

He offered to take the timeshares off their hands... if they paid to join a holiday club.

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