**RDO ‘BEST PRACTICE’ GUIDELINES**

**IMPROVING SALES OPERATIONS TO AVOID COMPENSATION CLAIMS**

Many claims companies that formally pursued PPP claims are now targeting the timeshare industry, seeing it as an easy way to make money, and there has been a consequential rise in the number of claims being made against resorts. There has also been an increase in the number of non-regulated companies that appear to have been set up to exploit consumers who simply wish to dispose of their timeshare but have no legitimate claim to make. Some of these we believe to be breaking laws, such Data Protection and fishing for potential customers.

Given this background we cannot stress enough the risks to the industry and the importance of doing everything possible to protect yourselves by tightening up your resort procedures, particularly in terms of the sales processes.

**The guidelines below have been drafted by the working group responsible for establishing how best RDO can address the issues surrounding the increasing volume of claims being made against timeshare companies and what members could do to limit the risk of a claim being made against them.**

**These are not meant to be a substitution for legal advice and members with any queries or concerns should consult with their own lawyers.**

Guidelines

* If you receive a letter from a claims management company that makes reference to finance, let the lender know **immediately** and do not take any action, including admitting liability, without consulting the lender.
* Check the company's credentials on the Timeshare Task Force business check website on <http://timesharebusinesscheck.org>. This site verifies information regarding businesses that operate within the timeshare sector or that target timeshare owners. The details listed on each company include a transparency evaluation, details of any action taken by the authorities and other companies associated with it.
* If you have any queries or if the company is not listed on the Task Force website please contact Chris Emmins on chris.emmins@kwikchex.com. We are trying to build up a picture of the companies operating in this sector and any information you can provide is critical to our work.
* If the letter does not make reference to finance, check to see if the company is regulated by the MOJ (Ministry Of Justice) - you can do this through the following link; <https://www.claimsregulation.gov.uk/search.aspx>. The MOJ regulates claims management companies that handle certain types of claims for compensation in respect of mis-sold financial products and services.
* There is a mix of regulated and unregulated companies targeting timeshare companies, and the recommendations below should help you take the appropriate action in each case.

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| ***Yes, regulated by the MOJ*** | ***No, not regulated by the MOJ*** |
| You must respond to the claims company and deal with every subsequent correspondence you receive from it | Write back to the customer pointing out that the company is not MOJ regulated and that you would recommend dealing directly with the customer rather than through a non-regulated third party |
| Failure to respond is extremely serious; you could lose the case and be obliged to refund the client | At the same time, advise the customer that there is an established and free of charge RDO complaints system that they can use if they are not happy with the outcome of the developer’s own handling of their complaint |
|  | Highlight to them some of the options available if they no longer wish their timeshare, for example any exit routes you have put in place, using the services of an established RDO resale member |
|  | At the same time, write to the claims management company & advise that you have contacted the customer, recommending that they do not deal with an unregulated company. |
|  | If the claim is one of a number of similar claims that you have received and you believe to be unsubstantiated, indicate that you will not entertain any generic letters or claims that appear to have been coached |
|  | If the customer still insists on using the services of the claims company, it is recommended that you comply with this request |

* Get your house in order and ensure there is a clear audit trail
* Take legal advice on your sales documentation; a list of RDO solicitor members is attached
* To avoid any allegations of verbal misrepresentation, ensure that your salespeople do not write additional notes for their customers as this could be used as evidence against you
* Considered documenting how long each customer spends during the sales process ie touring the resort, viewing the product and in the sales presentation itself. This could avoid any allegations of "aggressive" practices, ie being kept for hours at the resort
* It is extremely important to improve your data protection, perhaps by recording all telephone calls, proactively monitoring activity across your IT network, controlling the printout of data etc