

2003 No. 2579

CONSUMER PROTECTION

The Timeshare (Cancellation Information) Order 2003

Made - - - - - 2nd October 2003

Laid before Parliament 8th October 2003

Coming into force - - 31st October 2003

The Secretary of State, in exercise of the powers conferred upon her by section 4(2) and subsections (6), (7) and (8) of section 12 of the Timeshare Act 1992(a), hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the Timeshare (Cancellation Information) Order 2003 and shall come into force on 31st October 2003.

Interpretation

2. In this Order—

“the Act” means the Timeshare Act 1992;

“blank cancellation notice”, in the case of a timeshare agreement, means a blank notice of cancellation which the agreement is required to contain by section 2(2F) of the Act(b), and, in the case of a timeshare credit agreement, means a blank notice of cancellation which a timeshare credit agreement is required to contain by section 3(6) of the Act(c);

“required information”, in the case of a timeshare agreement, means information which the agreement is required to contain by section 2 of the Act and, in the case of a timeshare credit agreement, means information which the agreement is required to contain by section 3 of the Act.

Form of timeshare agreements

3.—(1) A timeshare agreement shall include the required information in the form set out—

- (a) in Part I of Schedule 1 to this Order, unless the agreement fulfils the conditions set out in either subsection (2B) or subsection (2D) of section 2 of the Act;
- (b) in Part II of that Schedule, if the agreement fulfils the conditions set out in subsection (2D), but does not fulfil the conditions set out in subsection (2B), of that section; or
- (c) in Part III of that Schedule, if the agreement fulfils the conditions set out in subsection (2B) of that section.

(a) 1992 c. 35.

(b) Section 2(2F) was inserted by the Timeshare Act 1992 (Amendment) Regulations 2003 (S.I. 2003/1922).

(c) Section 3(6) was inserted by the Timeshare Act 1992 (Amendment) Regulations 2003.

(2) If a timeshare agreement includes provision for providing credit for or in respect of the offeree, it shall also include the information which it is required to contain by section 2(2A) of the Act in the form set out in Schedule 2 to this Order.

(3) A timeshare agreement shall include a blank cancellation notice in the form set out in Part I of Schedule 4 to this Order.

(4) The required information and the blank cancellation notice shall be set out at the end of the timeshare agreement.

(5) A timeshare agreement shall include, immediately adjacent to the place where the offeree signs the agreement, the statement, “YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT. YOU HAVE UNTIL _____ IN WHICH TO DO SO. (THIS DATE MUST BE AT LEAST FOURTEEN DAYS AFTER THE DAY YOU SIGNED THE AGREEMENT). PLEASE REFER TO THE END OF THE AGREEMENT FOR FURTHER DETAILS OF YOUR CANCELLATION RIGHTS.”.

Form of timeshare credit agreements

- 4.—(1) A timeshare agreement shall include the required information in the form set out—
- (a) in Part I of Schedule 3 to this Order, or
 - (b) in Part II of that Schedule, if the agreement fulfils the conditions set out in subsection (4) of section 3 of the Act.

(2) A timeshare credit agreement shall include a blank cancellation notice in the form set out in Part II of Schedule 4 to this Order.

(3) The required information and the blank cancellation notice shall be set out at the end of the timeshare credit agreement.

(4) A timeshare credit agreement shall include, immediately adjacent to the place where the offeree signs the agreement, the statement, “YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT. YOU HAVE UNTIL _____ IN WHICH TO DO SO. (THIS DATE MUST BE AT LEAST FOURTEEN DAYS AFTER THE DAY YOU SIGNED THE AGREEMENT). PLEASE REFER TO THE END OF THE AGREEMENT FOR FURTHER DETAILS OF YOUR CANCELLATION RIGHTS.”.

Lettering requirements

5.—(1) The lettering of the required information, of the blank cancellation notices and of the statements referred to in articles 3(5) and 4(4) shall be of a size and type that is easily legible and of a colour which is easily distinguishable from the background on which they are set out.

(2) For the required information and the blank cancellation notices, capital letters shall be used in all the places in which they are shown in each Schedule and words shall be in bold lettering in accordance with the Schedules.

(3) Capital letters shall be used for all the words in the statements referred to in articles 3(5) and 4(4).

(4) The lettering of the words “IMPORTANT—YOU SHOULD READ THIS CAREFULLY” and “YOUR RIGHT TO CANCEL THIS AGREEMENT” in the required information shall be larger than any other lettering in the required information.

Information to be inserted

6.—(1) In the required information and the blank cancellation notices, there shall be inserted in the blank spaces in the form set out in the appropriate Schedule the information referred to in the square brackets besides the blank spaces.

(2) In the statement referred to in article 3(5), there shall be inserted in the blank space after the word “until” the date which must be specified in the agreement by virtue of section 2(2)(a) of the Act.

(3) In the statement referred to in article 4(4), there shall be inserted in the blank space after the word “until” the date which must be specified in the agreement by virtue of section 3(2)(a) of the Act.

Gerry Sutcliffe,
Parliamentary Under Secretary of State for
Employment Relations, Competition and Consumers,
Department of Trade and Industry

2nd October 2003

PART I**IMPORTANT—YOU SHOULD READ THIS CAREFULLY
YOUR RIGHT TO CANCEL THIS AGREEMENT**

You can cancel this timeshare agreement by sending or taking a written notice of cancellation to.....[name and address of person to whom notice of cancellation may be given] on or before.....[date specified under section 2(2)(a) of the Timeshare Act 1992]. You therefore have at least fourteen days in which to cancel this agreement. If you post the notice in a properly addressed and fully pre-paid letter, the notice will be treated as given at the time of posting.

You may use the cancellation notice provided in this agreement, but this is not obligatory.

If you cancel this agreement in the way described above, you will have no further rights or obligations under it, but you will have the right to recover any sums paid under or in contemplation of this agreement.

PART II**IMPORTANT—YOU SHOULD READ THIS CAREFULLY
YOUR RIGHT TO CANCEL THIS AGREEMENT**

You can cancel this timeshare agreement by sending or taking a written notice of cancellation to.....[name and address of person to whom notice of cancellation may be given] on or before.....[date specified under section 2(2)(a) of the Timeshare Act 1992]. You therefore have at least fourteen days in which to cancel this agreement. If you post the notice in a properly addressed and fully pre-paid letter, the notice will be treated as given at the time of posting.

You may use the cancellation notice provided in this agreement, but this is not obligatory.

If you cancel this agreement in the way described above, you will have no further rights or obligations under it, but you will have the right to recover any sums paid under or in contemplation of this agreement.

You may have further rights to cancel, if this agreement does not include certain required information.

PART III**IMPORTANT—YOU SHOULD READ THIS CAREFULLY
YOUR RIGHT TO CANCEL THIS AGREEMENT**

You can cancel this timeshare agreement by sending or taking a written notice of cancellation to.....[name and address of person to whom notice of cancellation may be given] on or before.....[date specified under section 2(2)(a) of the Timeshare Act 1992]. You therefore have at least fourteen days in which to cancel this agreement. If you post the notice in a properly addressed and fully pre-paid letter, the notice will be treated as given at the time of posting.

You may use the cancellation notice provided in this agreement, but this is not obligatory.

If you cancel this agreement in the way described above, you will have no further rights or obligations under it, but you will have the right to recover any sums paid under or in contemplation of this agreement.

You may have further rights to cancel, if this agreement does not include certain required information.

Purchase of Timeshare using credit under a related agreement

If you have purchased a timeshare using credit under a related credit agreement, then the related credit agreement will be automatically cancelled, if you cancel the timeshare agreement in the way described above.

If you have received any monies under a related credit agreement, you will need to repay these. If you are repaying by instalments and you repay any monies by the date your first repayment is due, then you will not be liable to pay interest on the amount repaid. If you do not repay the whole of the amount you have borrowed in that time then you will be sent a statement showing the amount outstanding and the repayments due, including interest, and you do not have to make any repayment until you receive this. If you are not repaying by instalments and you repay any monies within one month of the date you gave notice to cancel then you will not be liable to pay interest on the amount repaid. Subject to the above, you will have no further rights and obligations under the credit agreement.

SCHEDULE 2

Article 3(2)

If your timeshare agreement includes provision for credit with which to pay for the timeshare, then you will need to repay the credit. If you are repaying by instalments and you repay any monies by the date your first repayment is due, then you will not be liable to pay interest on the amount repaid. If you do not repay the whole of the amount you have borrowed in that time then you will be sent a statement showing the amount outstanding and the repayments due, including interest, and you do not have to make any repayment until you receive this. If you are not repaying by instalments and you repay any monies within one month of the date you gave notice to cancel then you will not be liable to pay interest on the amount repaid. Subject to the above, you will have no further rights and obligations under the credit agreement.

SCHEDULE 3

Article 4(1)

PART I

IMPORTANT—YOU SHOULD READ THIS CAREFULLY

YOUR RIGHT TO CANCEL THIS AGREEMENT

This is a timeshare credit agreement for the purposes of the Timeshare Act 1992. You can cancel this credit agreement by sending or taking a written notice of cancellation to.....[name and address of person to whom notice of cancellation may be given] on or before.....[date specified under section 3(2)(a) of the Timeshare Act 1992]. You therefore have at least fourteen days in which to cancel this agreement. If you post the notice in a properly addressed and fully pre-paid letter, the notice will be treated as given at the time of posting.

You may use the cancellation notice provided in this agreement, but this is not obligatory.

Cancelling your timeshare credit agreement does not cancel your timeshare agreement. If you wish to cancel your timeshare agreement, you must do that separately.

If you have received any monies under this credit agreement, you will need to repay these. If you are repaying by instalments and you repay any monies by the date your first repayment is due, then you will not be liable to pay interest on the amount repaid. If you do not repay the whole of the amount you have borrowed in that time then you will be sent a statement showing the amount outstanding and the repayments due, including interest, and you do not have to make any repayment until you receive this. If you are not repaying by instalments and you repay any monies within one month of the date you gave notice to cancel then you will not be liable to pay interest on the amount repaid. Subject to the above, you will have no further rights and obligations under the credit agreement.

PART II

IMPORTANT—YOU SHOULD READ THIS CAREFULLY YOUR RIGHT TO CANCEL THIS AGREEMENT

This is a timeshare credit agreement for the purposes of the Timeshare Act 1992. You can cancel this credit agreement by sending or taking a written notice of cancellation to.....[name and address of person to whom notice of cancellation may be given] on or before.....[date specified under section 3(2)(a) of the Timeshare Act 1992]. You therefore have at least fourteen days in which to cancel this agreement. If you post the notice in a properly addressed and fully pre-paid letter, the notice will be treated as given at the time of posting.

You may use the cancellation notice provided in this agreement, but this is not obligatory.

Cancelling your timeshare credit agreement does not cancel your timeshare agreement. If you wish to cancel your timeshare agreement, you must do that separately.

If you cancel the timeshare agreement in the way described in that agreement, then this credit agreement will be automatically cancelled.

If you have received any monies under this credit agreement, you will need to repay these. If you are repaying by instalments and you repay any monies by the date your first repayment is due, then you will not be liable to pay interest on the amount repaid. If you do not repay the whole of the amount you have borrowed in that time then you will be sent a statement showing the amount outstanding and the repayments due, including interest, and you do not have to make any repayment until you receive this. If you are not repaying by instalments and you repay any monies within one month of the date you gave notice to cancel then you will not be liable to pay interest on the amount repaid. Subject to the above, you will have no further rights and obligations under the credit agreement.

SCHEDULE 4

Articles 3(3) and 4(2)

PART I

NOTICE OF CANCELLATION OF TIMESHARE AGREEMENT GIVEN UNDER SECTION 5 OR SECTION 5A OF THE TIMESHARE ACT 1992

Complete and return this notice ONLY if you wish to cancel the timeshare agreement.

To.....[name and address of person to whom notice of cancellation may be given]

I/we (delete as appropriate) hereby give notice that I/we (delete as appropriate) wish to cancel my/our (delete as appropriate) timeshare agreement.

Reference.....[offeror's reference number, code or other details to enable the timeshare agreement to be identified]

Signed.....

Dated.....

If this notice is sent by post in a properly addressed and pre-paid letter, the notice is treated as given at the time of posting.

PART II

**NOTICE OF CANCELLATION OF TIMESHARE CREDIT
AGREEMENT GIVEN UNDER SECTION 6 OF THE
TIMESHARE ACT 1992**

Complete and return this notice ONLY if you wish to cancel the timeshare credit agreement.

To.....[name and address of person to whom notice of cancellation may be given]

I/we (delete as appropriate) hereby give notice that I/we (delete as appropriate) wish to cancel my/our (delete as appropriate) timeshare credit agreement.

Reference.....[creditor's reference number, code or other details to enable the timeshare credit agreement to be identified]

Signed.....

Dated.....

If this notice is sent by post in a properly addressed and pre-paid letter, the notice is treated as given at the time of posting.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order prescribes the form of:

- (a) information on the right to cancel a timeshare agreement; and
- (b) a blank notice of cancellation of a timeshare agreement; and
- (c) information on the right to cancel a timeshare credit agreement; and
- (d) a blank notice of cancellation of a timeshare credit agreement.

Under sections 2 and 3 of the Timeshare Act 1992 the information referred to in (a) and (c) above must be included in the relevant agreement, together with the blank notices of cancellation referred to in (b) and (d) above.

It is a criminal offence for an offeror (the person offering the timeshare for sale) to enter into a timeshare agreement unless the agreement contains the information and the blank notice of cancellation referred to in (a) and (b) above.

A timeshare credit agreement should also contain the information and blank cancellation notice referred to in (c) and (d) above (although entering into such an agreement when it does not comply with these requirements does not constitute a criminal offence).

The information referred to in (a) and (c) concerns the rights of a person buying a timeshare (referred to as “the offeree” in the Timeshare Act 1992 and this Order) to cancel a timeshare agreement or a timeshare credit agreement at any time before or on a day specified in the notice. This must be a day which falls not less than fourteen days after the agreement is entered into. These notices also spell out the rights and obligations of the offeree should he choose to exercise the right to cancel.

Because Directive 1994/47/EC on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis confers additional cancellation rights in respect of some timeshare transactions, this Order prescribes different forms of cancellation information according to whether or not those additional cancellation rights apply.

Notices (b) and (d) may be used by the offeree to cancel the agreement.

£2.00

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