

The plight of the timeshare prisoners

Everlasting contracts trapped people in leases they couldn't afford, but there's a way out, reports Eugene Costello

Many of the UK's half a million timeshare owners are locked into unfair contracts – and it could be their children who carry on paying the price. In 2003 my parents visited friends at their timeshare resort in Madeira. The friends took my parents, at the time both aged 70, to a presentation, where they bought a 25-year timeshare for £20,000.

A timeshare is a type of holiday ownership that lets you – either directly or through a club – spend a week or specified weeks in a holiday resort each year for the duration of the contract.

Dad, who had been a teacher, and Mum, a former nurse, dreamt of taking their grandchildren to the two-bed apartment overlooking the gardens of the Pestana Village Resort in Funchal. They could use the property for two weeks a year but had to give 13 months' notice to book. They also paid up to £650 per year for maintenance.

But because Mum became ill, first with rheumatoid arthritis, then Alzheimer's, they only visited three times. In 2018 my younger brother tried to negotiate a cancellation to get them out of the contract. He died before he could achieve this.

When Mum died in April, Dad asked if I could help. He was tied into the timeshare for another five years and was being chased for four years of maintenance fees. I contacted European Consumer Claims (ECC), a timeshare claims

and relinquishment company, which is a UK business with an office in Malaga. It was able to get my dad out of the contract with the timeshare group Pestana.

Pestana acted reasonably. We were told that the contract could be cancelled in circumstances such as ill health or financial problems. We sent a copy of my mum's death certificate, signed a "relinquishment letter" and the contract was ended.

But it is not always this easy. Last year a parliamentary research group paper found that many timeshares in the 1980s and 1990s were "sold aggressively to British tourists" who had no access to independent legal advice.

"Some contracts were not written in English and included an obligation to pay expensive annual management and maintenance fees," it said. Agreements were often made "in perpetuity", locking the owner in for life – and after they die their children too.

There are between 500,000 and 600,000 UK timeshare owners, the parliamentary report found. Almost half of these are in Spain, a fifth in the UK and a quarter outside of Europe. Selling timeshares is not easy because there is often little demand. Older owners stuck with a timeshare may struggle to cover expensive maintenance costs in retirement.

In perpetuity contracts have become rare and Spanish law now states that timeshare contracts signed after January 15, 1999, cannot last more than 50 years, but many people are still signed up to them. It is not known how many in perpetuity contracts were handed out, but Mark Jobling from ECC said: "It is exceptionally rare to find customers who are happy with the contract and maintenance fees."

Steven John from ECC said: "Europe's timeshare firms have run roughshod over consumer rights for decades."

Douglas Mackay, 65, a retired police-



EDUARDO RAMOS CASTANEDA/GETTY IMAGES



man, and his wife, Linda, 62, a retired nurse, from Ayrshire, signed a timeshare contract in 2012 with Infiniti Leisure for a property in Tenerife. They made a down-payment of about £5,000 and maintenance fees were about £1,000 a year but "kept creeping up", the Mackays said. After challenging the contract in 2018, the couple were able to get it voided and got £10,000 in compensation in 2020. It took two years because of all the legal obstacles set by Infiniti.

"We would have been happy to just get out of the contract. Neither of us thought we would get any money back," Douglas said. Infiniti did not respond to a request for comment.

In 2011 Andrew Rees, 57, a construction manager from Swinton, Greater Manchester, visited the timeshare resort complex Anfi del Mar in Gran Canaria.

On the recommendation of his holiday rep he attended a timeshare presentation. Rees didn't realise at the time that his tour operator, Thomas Cook,

had a financial agreement to be paid for each family who visited Anfi presentations, a high-pressure sales event. Rees signed up on the day for a timeshare. He paid about £5,000 for one week a year, with maintenance fees of £1,300 a year.

In 2020 he engaged ECC to get out of the contract and won compensation of £21,000. "I feel like we were manipulated into the decision to join Anfi. It's a huge relief to be free of the maintenance fee and to get our money back," he said.

Thomas Cook said the arrangement did not relate to the "new Thomas Cook", – Thomas Cook went into liquidation in September 2019, but the brand was relaunched as Thomas Cook Tourism by the Chinese holding company Fosun International in 2020. Anfi did not respond to a request for comment.

Barclays Partner Finance has come under fire for loans it gave to timeshare buyers in Malta, which were processed by the now defunct company Azure.

Investors claim they were pressured into buying timeshares by Azure and that

Eugene Costello's parents bought a timeshare in Madeira. Left: Andrew Rees

its commission-only salespeople were also the officers who handled the loan application process.

They have also alleged that standard affordability checks were ignored.

The specialist timeshare lawyer Adriana Stoyanova started working on behalf of investors in 2017, with the law firm MI Legal. In 2021 they reached a settlement with Barclays Partner Finance for it to refund all loan payments – a total of £48 million plus interest. It said it would cancel the loan agreements and remove any associated negative marks on investors' credit files.

In 2022 Barclays agreed to pay an extra £181 million to about 6,000 customers who were mis-sold timeshares in Malta by Azure.

So what can I do about it?

In perpetuity contracts and the practice of taking a deposit when agreeing a timeshare were made illegal in Spain in 1999, but both practices continued for some time. If you were pressured to sign up to a timeshare on the day and were not given access to legal advice you may be able to be relinquished from continuing maintenance fees. If you entered into a timeshare agreement in Spain with an in perpetuity clause after January 1999, you may also be eligible for compensation.

You could use a claims company to do this or try to do it yourself. However, negotiating the legal process, often in a foreign language, can make it difficult.

ECC typically charges between £3,000 and £6,000 to assist and in some circumstances may be engaged on a no-win, no-fee arrangement. More information is available through the Timeshare Consumer Association, an advice firm.

"The reality is that, especially in Spain, but elsewhere, these rogue operators know that the game is up and it is only a matter of time before their businesses are out of action," John said.

Best Buys

CURRENT ACCOUNTS

CREDIT INTEREST

Provider	Account name	Account fee	Reward	Balance (for reward)	Contact
Halifax	Reward Current Account	None	£5 a month	–	0345 720 3040
TSB	Spend & Save Plus	£3 a month	£5 a month	–	0345 975 8758
Nationwide	FlexDirect	None	5% AER	Up to £1,500	0800 30 20 10

OVERDRAFTS*

Provider	Account name	Account fee	Interest rate ¹	0% overdraft limit	Contact
Starling Bank	Current Account	None	15%	£0	starlingbank.com
First Direct	1st Account	None	39.9%	£250	0345 600 2424
Virgin Money	M Plus Account	None	19.9%	£0	0800 678 3654

¹ Equivalent annual rate.
* Based on overdraft of £500 for 7 days a month.
Some accounts require minimum funding/direct debits to open or receive rates shown.
Source: moneyfacts.co.uk

CREDIT CARDS

INTRODUCTORY RATES

Provider	Card type	Introductory purchase	APR ¹	Reward	Contact
Barclaycard	Platinum Allrounder V	0% for 23 months	24.9%	No	0800 151 0900
NatWest	Purchase & Balance Transfer MC	0% for 21 months	23.9%	No	0345 788 8444
Royal Bank of Scotland	Purchase & Balance Transfer MC	0% for 21 months	23.9%	No	0345 724 2424

BALANCE TRANSFERS

Provider	Card type	Introductory purchase	Transfer fee ²	APR ¹	Contact
Barclaycard	Platinum Transfer V	0% for 30 months	3.45% (no min)	24.9%	0800 151 0900
M&S Bank	Credit Card Transfer Plus Offer	0% for 28 months	2.99% (min £5)	23.9%	0800 997 996
Santander	Everyday Long-term BT MC	0% for 28 months	3% (min £5)	22.9%	0800 912 3123

CASHBACK CARDS

Provider	Card type	APR ¹	Cashback	Contact
American Express	Platinum Cashback	36.3%	0.75-1.25%. Intro 5% for 3 months	0800 917 8047
American Express	Platinum Cashback Everyday	30.7%	0.5%-1%. Intro 5% for 3 months	0800 917 8047
Halifax	Cashback MC	22.9%	0.25-0.5%	0345 944 4555

¹ APR = annual percentage rate, dependent on credit rating. ² Fee charged on the amount of each balance transfer during the introductory period.
Source: moneyfacts.co.uk

SAVINGS ACCOUNTS

INSTANT ACCESS

Provider	Account name	Min deposit	Interest rate	Contact
Furness	Triple Access Saver (Issue 1)	£1	5%	furnessbs.co.uk
Shawbrook	Easy Access Account Issue 36	£1,000	4.93%	shawbrook.co.uk
Cahoot	Simple Saver	£1	4.9%	cahoot.com
Chip	Chip Instant Access Account	£1	4.84%	getchip.uk
Monument	Easy Access Savings	£25,000	4.81%	monument.co.uk

NOTICE ACCOUNTS

Provider	Account name	Notice period	Min deposit	Interest rate	Contact
Oxbury	180 Day Notice Account Issue 15	180 days	£1,000	5.59%	oxbury.com
Oxbury	120 Day Notice Account Issue 23	120 days	£1,000	5.53%	oxbury.com
The Tipton & Cooley BS	120 Day Notice Account	120 days	£25,000	5.5%	thetipton.co.uk
United Trust Bank	200 Day Notice Account Issue 2	200 days	£5,000	5.5%	utbank.co.uk
Cynergy Bank	Online Notice Saver – 120 Day Notice (Issue 7)	120 days	£500	5.45%	cynergybank.co.uk

FIXED-RATE BONDS

Provider	Account name	Term	Min deposit	Interest rate	Contact
NS&I	Guaranteed Growth Bonds – 1 year (Issue 72)	1 year	£500	6.2%	nsandi.com
OakNorth Bank	18 Month Fixed Savings Account	1.5 years	£1	6.05%	oaknorth.co.uk
OakNorth Bank	3 Year Fixed Savings Account	3 years	£1	5.96%	oaknorth.co.uk
Tandem (Raisin)	5 Year Fixed Saver	5 years	£1,000	5.85%	tandem.co.uk (raisin.co.uk)

DEALS ARE LISTED ONLY IF THEY ARE COVERED BY THE UK FINANCIAL SERVICES COMPENSATION SCHEME (FSCS) OR A EUROPEAN EQUIVALENT
Source: savingschampion.co.uk – 0800 011 9705

ENERGY DEALS

Table shows the cheapest tariff now available from the cheapest suppliers. Excludes tariffs of less than 12 months' duration, tariffs that do not have national coverage and tariffs where payments are taken in advance of supply.

Supplier	Average annual bill	Rate	Contact
So Energy	£2,047	Fixed	0330 111 5050
Octopus Energy	£2,062	Variable	0808 164 1088
Utility Warehouse	£2,069	Variable	0333 777 0777

*Phone numbers provided will call through to theenergyshop.com switch support team. Source: theenergyshop.com – 0800 448 0205

FOREIGN CURRENCY

Interbank rates at 5pm on Friday, which show where the market is trading. They are not indicative of the rate you could get.

EURO

GBP>EUR

1.16

USA

GBP>USD

1.25

SWITZERLAND

GBP>CHF

1.11

AUSTRALIA

GBP>AUD

1.96

MORTGAGES

2-YEAR FIXED RATES

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
First Direct	5.94%	Fixed for 2 years	40%	£490	LV	0800 482 448
First Direct	6.09%	Fixed for 2 years	20%	£490	LV	0800 482 448
Leeds	6.44%	Fixed to 31.10.25	5%	£999	PV	0345 045 4049

3-YEAR FIXED RATES

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Co-op Bank	5.66%	Fixed to 31.12.2026	40%	£999	BLV	0800 840 4980
Leeds	5.99%	Fixed to 31.10.26	15%	£999	LV	0345 045 4049
Nationwide	6.09%	Fixed for 5 years	10%	£999	PV	0800 302 010

LONG-TERM FIXED RATES

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Principality	5.23%	Fixed to 30.11.28	25%	£1,395	V	0800 678 1000
Barclays	5.43%	Fixed to 31.12.28	15%	£899	PV	0333 202 7580
Yorkshire	5.6%	Fixed to 30.11.28	10%	£995	BPV	0345 166 9510
Nationwide	5.04%	Fixed for 10 years	25%	£999	LV	0800 302 010

TRACKERS*/DISCOUNTS

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
HSBC	5.39%	Tracker + 0.14% for 2 years	40%	£999	ERS	0800 494 999
Furness	5.64%	2.85% discount for 2 years	5%	£999	BV	0800 220 568
Newbury	5.09%	1.66% discount for 3 years	25%	£850	RS	01635 555700
Barclays	5.85%	Tracker+0.6% for 5 years	40%	£490	ELV	0333 202 7580

FIRST-TIME BUYER / LOW DEPOSIT

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
Cumberland	6.84%	Fixed to 01.10.25	5%	£0	FDV	01228 403141
Yorkshire	5.89%	Fixed to 30.11.28	5%	£995	BPV	0345 166 9510
Skipton BS	6.19%	Fixed to 30.11.28	0%	£0	FV	0345 850 1755

BUY TO LET

Lender	Rate	Scheme	Deposit	Fee	Notes	Contact
HSBC	5.92%	Fixed to 31.10.25	25%	£1,999	RS	0800 494 999
Principality BS	5.5%	Fixed to 30.11.28	30%	£1,395	V	0800 678 1000
Virgin Bank	5.38%	Fixed to 01.12.33	40%	£995	CR	0345 605 0500

Early repayment charge applies unless otherwise stated. * Most deals track Bank of England base rate.
L = £500 cashback for purchases; E = No early repayment charge; F = £500 cashback for first-time buyers; H = Help to Buy; C = Free legal work for remortgages; M = £300 cashback for purchases; N = £250 cash back for purchases; O = £250 cash back; P = Purchases only; R = Free legal work and valuation for remortgages; S = Remortgage only; V = Free valuation
Source: landc.co.uk – 0800 373 300

CASH ISAs

INSTANT ACCESS

Provider	Account name	Min deposit	Interest	Transfers in	Contact
Cynergy Bank	Online Isa (Issue 41)	£1	4.55%	Yes	cynergybank.co.uk
Newcastle BS	Double Access Isa Issue 1	£1	4.5	Yes	newcastle.co.uk

FIXED RATE

Provider	Account name	Term	Min deposit	Rate	Transfers in	Contact
Shawbrook	1 Year Fixed Rate Cash Isa Bond Issue 80	1 year	£1,000	5.78%	Yes	shawbrook.co.uk
Charter Savings Bank	2 Year Fixed Rate Cash Isa	2 years	£5,000	5.78%	Yes	chartersavingsbank.co.uk

Source: savingschampion.co.uk – 0800 011 9705

CHILDREN'S ACCOUNTS

Provider	Account name	Account type	Min deposit	Interest rate	Contact
Saffron BS	Children's Regular Saver	Regular Saver	£5	5.8%	saffronbs.co.uk
Saffron BS	2 Year Fixed Rate Children's Bond Fixed Rate Bond	Fixed Rate Bond	£500	5.6%	saffronbs.co.uk
HSBC	MySavings	Easy Access	£1	5%	hsbc.co.uk

JUNIOR ISAs

Provider	Account name	Min deposit	Interest rate	Rate	Contact
Coventry BS	Junior Cash Isa 2	£1	4.95%	Variable	coventrybuildingsociety.co.uk
Skipton BS	Junior Cash Isa Issue 5	£1	4.75%	Variable	skipton.co.uk
Newbury BS	Cash Junior Isa	£50	4.65%	Variable	newbury.co.uk

Source: savingschampion.co.uk – 0800 011 9705



THE TOP FIVE ARTICLES ON TIMES MONEY MENTOR THIS WEEK

Our sister website Times Money Mentor has guides, tools and best buys to help you to manage your finances. Here's what you have been looking at:

1 Avoid the new Facebook scams

Facebook Marketplace lets people sell and