

VICTIM OF TIME-SHARE SCHEMES? CONSUMER COURTS WON'T HELP

One fine morning you get a phone call or a letter from a company selling time-share holidays, informing you that you've won an attractive prize, which may be anything, from a fabulous gift or a dinner in a five-star hotel to a trip to a hill station, all free of cost.

You will be surprised at this windfall because you have never paid anything or filled up any form or even sent a crossword puzzle which entitles you to a prize.

The caller will tell you to be present in a particular hotel along with your spouse. So far so good. But you will be asked to come with some money or a cheque book.

If you are prudent enough, you will start doubting this clause. But how can you, when you cannot overcome the temptation of dining with your spouse in a five-star hotel! You drive straight to the venue.

After making you wait for two or three hours, you will be shown video clippings and photographs of luxurious guest houses, situated in famous hill stations. In the words of G.S.Ravi Shankar, a resident of Malleswaram, Bangalore, a victim of this racket, "you will be promised the earth and the moon".

At the end of the briefing session, you will not be given any gift, but compelled to purchase a time-share in any of the holiday resorts. And what's more, the companies will accept whatever money you can part with on the spot. You and your spouse empty out your purses knowing little that you have fallen victim to a major time-share business racket.

In the past few years many companies have started doing business by selling holiday homes, guest homes and resorts on a time-share basis. The procedure looks simple. You have to pay a hefty amount and enroll as a member. You will be entitled to stay in a resort for a specified number of days in a year. You will be free to sell those days allotted to you if you don't want to go yourself. Normally the period mentioned in the agreement is 99 years of sharing.

But the issue is not as rosy. After paying the initial amount, you will realize the hard way that the company is no longer wooing you as before. In some cases the allotted days are cancelled without prior notice, thereby throwing your holiday schedule out of gear. Some companies have collected huge sums and downed their shutters.

Victims have filed complaints in the consumer forums under the Consumer Protection Act, hoping to get their money back. But the decision of the National

Consumer Disputes Redressal Forum, in this regard, comes as the proverbial bolt from the blue.

In the case a Punjab Tourism Development Corporation vs K.P. Doshi (1977(1) CPR 77) the National Commission has held that purchase of time-share in immovable property in a Holiday Home Club scheme is not a consumer dispute.

The Punjab Tourism Development Corporation floated a scheme called Holiday Home Club, under which a person can become a member by paying a requisite fee.

Every member was entitled to stay for a period of seven days at one of the ten proposed holiday homes. The members also had complete freedom to sell, lend, exchange or alienate the assets as per his option and as per the scheme and the by laws.

Mr Doshi who had eight memberships was not provided with all the facilities offered as per the promise made in the brochure. He complained that even after ten years, only four holiday homes were set up out of the promised ten. Out of the four, two were set up temporarily in leased hotels and two were in readymade hotels purchased by the corporation.

A complaint was filed in the Maharashtra State Commission on the grounds of deficiency in service claiming a compensation of Rs 4,97,000. However the State Commission granted a compensation of Rs 25,000 plus costs of Rs 500.

The corporation filed an appeal in the National Commission. After going through the prospectus by-laws and other documents, the commission felt that by purchasing a vacation ownership (immovable property) for a week, coupled with his right to sell, lend etc.

The purchaser was not hiring a service. It was mere creation of interest in immovable property and as such it was not a consumer dispute.

Earlier the National Commission in the case of Dalmia Resorts Pvt. Ltd., vs Dr Ranjana Gupta (1977(1) cpr 173) has held the same view stating that purchases of a time-share in a holiday resort is a purchase of share in immovable property and any dispute arising out of such transactions could not be termed a consumer dispute.

So next time you get a call informing you about a gift, think twice before accepting the offer.

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