How will the Russia/Ukraine war affect your timeshare usage?

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As war flames through Eastern Europe and effects are beginning to be felt further afield, people are asking: "what will it mean to me?". We look at what it may mean for timeshare owners...

Global shockwaves

Just as every nation on earth seemed to be emerging into the sunlight after two dark years of COVID fears and economic hardships, yet another catastrophe is unfolding. The Ukraine/Russia war might prove to be the knockout hook, following the power jab of the pandemic. In an interconnected modern world, literally nobody will be unaffected by this war. Ukraine directly supplies us with food, Russia with energy. But the web is far more complex than that. We are all each other's markets, workforce, suppliers, exporters, importers and customers. As a great metaphysical poet of the past observed: When that funeral bell tolls, it tolls for all of us.

Clearly those directly involved in the conflict, the families facing shells, bullets, brutality and evacuation are the people deserving of our immediate empathy and help. This article in no way intends to trivialise that suffering, but the rest of us need to protect ourselves and our loved ones, we have to plan for what is coming.

So, In what ways will the Ukraine/Russia conflict affect people committed to timeshare memberships?

Gas and oil prices

Russia is one of the largest oil and natural gas producers in the world. The disruption in both means petrol, jet fuel, and gas prices are skyrocketing.

For timeshare owners there are two direct effects:

• Fuel hikes cause travel costs to increase: This means that getting to your timeshare will cost significantly more, whether your timeshare is in the UK or abroad. Timeshare owners are contracted to paying every year for a holiday in their foreign resorts. If they don't stump up extra for flights, they will lose the money spent on annual fees

• Increased maintenance fees: Gas and oil prices impact annual "running costs" of resort properties. If costs go up you can be certain that fees will follow suit. During the pandemic, with resorts standing empty, maintenance fees almost universally remained the same. No discount was given, despite running costs dropping to minimal levels. This widely criticised attitude of profiteering means the chances of resorts absorbing energy costs to reduce the impact to their consumers is likely to be slim. As Andrew Cooper, CEO of European Consumer Claims (ECC) explains, *"Traditional businesses are motivated to keep customers happy so they don't take their business elsewhere. Resorts don't have that problem, because their clients are legally obligated to pay whatever they are charged every single year whether they want to or not, whether they use the product or not. So resorts unfortunately have no incentive to be fair or reasonable"*

Economic effects

The above mentioned gas and oil costs don't just affect timeshares, they affect every area of our lives. Household gas in the UK has already gone up by 54%, and in turn this drives up the costs of electricity as up to a third of electricity is produced by burning gas. As well as electric bills and travel costs, transportation costs for the goods you buy increase. The global economy needed to rebound from the pandemic and while this war rages, that just can't happen.

• Will your job be safe? Nobody knows what effect a global recession may have on their personal employment situation. Every business affects every other and if work dries up, then will people still be treating themselves to luxuries like holidays? Granted, some jobs (supermarkets for example) are seen as recession proof but with less jobs around, increased competition in the workforce means employers don't need to pay as much. While unlikely to reduce pay in modern countries like the UK, companies won't be in a hurry to give pay increases

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• Inflation: We have already seen that living costs beginning to rise. Shortages of food, fuel and other essentials; easing of monetary policies (including more issuing of government bonds); and depreciation of the Euro all lead to inflation. With wages remaining constant, people's real income depreciates inversely to inflation. Plus any savings you have become gradually less in real terms for the same reason.

• Interest rates hike: With inflation already at 30 year high, banks will need to raise interest rates. These higher interest rates increase the cost of borrowing, this then reduces demand in the economy. In turn, this reduces pressure on firms to raise prices, which completes the circle of raising inflation.

These reasons are over simplified, but no less true for that. Boiled right down, it means people will have less money available for luxuries. One of our biggest annual luxury expenses is holidays.

Regular holiday makers can opt for cheaper holidays, holidays in their home country or even choose to not go away at all, according to their budget. Timeshare owners are committed, recession or not, to paying for their holidays every single year. Their only choice is whether or not to use that holiday

Time to move on?

The above is (educated) speculation. Some of it could happen, or none of it might. We will all plan as we see fit to mitigate potential danger ahead. One thing is certain, being trapped in an expensive, dated timeshare contract during times of unpredictability is far from ideal.

"At one time, timeshare ownership was the only way a holidaymaker could avoid being disappointed by unexpected low standards," explains Andrew Cooper. *"Nowadays the rest of the travel industry has overtaken timeshare clubs. Anyone can guarantee themselves the standards they want by checking review sites like TripAdvisor. Non members have the same annual expenses as timeshare members, but they have the flexibility to choose exactly what they want every year, or even to not go at all."*

Relinquishment and compensation claims

For the many members in despair at being unable to escape unwanted commitments, help is at hand.

"The contracts might seem iron clad, but with expert help there is usually a way to be free from the expense," reassures Cooper. *"And for members who bought in Spain, on or after the 5th January 1999 it is likely that their contracts are actually illegal. If so, then they are entitled to often substantial compensation."*

To protect consumers from high pressure timeshare sales operations, Spain enacted strict laws 23 years ago. True to form nearly every timeshare company ignored those laws, and claims firms like ECC are able to sue them on behalf of consumers affected.

"Not only does the claim free the member from the contract, the average compensation award is around £20,000," explains Andrew Cooper. *"Timeshare memberships don't work. It's an annual expense people don't want to be tied into. Right now ECC's success rate is 98.6%, so if one of our advisors confirms you have a valid claim you can not only be free of the membership, you are statistically also in line for compensation worth tens of thousands of pounds."*

"If this kind of freedom and financial bonus sounds interesting, we are a phone call or email away."

For a free, confidential, no obligation chat about options regarding your timeshare membership, get in touch with our team at ECC

Thank you for your time reading this article. For anyone wishing to help the Ukrainian people affected by the crisis, here is a list of top rated charities who would welcome your donations

More relevant websites for this article

www.m1legal.com

www.timeshare.lawyer

www.timeshare.lawyer

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