

Travel Clubs

Tip Sheet

This information is a brief overview of the *Travel Clubs Regulation*. For more details, obtain the tip sheet “Travel Clubs” from Service Alberta.

Travel clubs are organizations that provide members with access to discounts or other benefits on the future purchase of transportation, accommodation and other travel-related services. Consumers have said that, in some cases, they felt pressure to sign a contract after a sales presentation and were then unable to cancel lifetime contracts.

The *Travel Clubs Regulation*, which took effect May 17, 2002, spells out cancellation rights, licensing conditions and requirements for a bond or other security.

What protection does the legislation provide?

- A 10-day cooling off period during which consumers can cancel contracts without giving a reason.
- The right to cancel the contract **at any time** if a business closes its doors or substantially changes its operation.
- Additional cancellation rights up to one year from the date of signing if:
 - the travel club was not licensed at the time of signing;
 - the contract was not signed correctly;
 - the contract did not contain the correct information; or
 - a copy of the contract was not provided to the consumer within 15 days.
- A consumer’s right to make a claim against the travel club’s security if, after a contract was cancelled, the travel club operator did not refund the consumer’s money within 15 days from the date of cancellation.
- A maximum term of 5 years for a travel club contract.
- A code of conduct that must be followed by sellers. Travel club operators must ensure that they identify themselves as a travel club operator and indicate that their goal is to enter into a contract with the consumer. Also, the travel club contract must use legible print.

Who is affected by this legislation?

Businesses that solicit and perform travel club contracts must have a travel club licence.

The *Travel Club Regulation* does **not** apply to:

- Travel agencies booking vacations (as long as they do not sell travel club memberships).
- Contracts signed *before* May 17, 2002.
- Contracts in which the total amount paid including any ongoing or periodic fees is less than \$200 for one adult member in the household or less than \$400 for two or more adult members in the household.

Tips for Consumers

- ✓ Never sign a contract unless you have read and understood it.
- ✓ Take your time – don't be rushed into making a decision.
- ✓ Shop around - compare prices offered by other businesses.
- ✓ Check to see if the travel club is licensed.
- ✓ Know your rights and obligations.