



Travel Clubs

This publication is intended to provide general information only and is not a substitute for legal advice.

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What is a travel club? A travel club is an organization that provides its members with access to discounts or other benefits on the future purchase of transportation, accommodation or other travel-related services.

The *Travel Clubs Regulation* applies to businesses that solicit, negotiate, conclude or perform travel club contracts. These businesses are required to have a travel club licence. You can check to see if a travel club is licensed on the Service Alberta website at www.servicealberta.ca under the heading "Search for a Licensed Business". You can also call the Consumer Contact Center at (780) 427-4088 (Edmonton) or toll free in Alberta 1-877-427-4088. Contracts signed before May 17, 2002 are not covered by this legislation.

This regulation does not apply to

- travel agencies booking vacations as long as they do not sell travel club memberships; and
- travel club contracts in which the total amount paid to enter into the contract, including any ongoing or periodic fees, is less than \$200 where there is one adult member in the household, or \$400 if there are two or more adult members in the household.

BEFORE YOU SIGN

The goal of any salesperson is to persuade you to buy the product or services they are selling. In this case it would be a membership in a travel club. Before you sign the contract make sure you understand exactly what you are purchasing.

Do you have enough information to make an informed decision? You may want to take the time to compare travel options and discounts offered by travel agents, airlines and hotels. Does a membership give you greater benefits and/or discounts than what you may get through another source?

Don't be rushed into making a decision. Reputable businesses will give you time to make a decision, and to answer any questions you may have.

CONTRACT REQUIREMENTS

A travel club contract is the agreement under which you purchase a membership in a travel club from a travel club operator. The contract cannot be longer than a term of five years.

A travel club contract must be in writing and include the following information:

- Your name and address
- The travel club operator's name, business address, telephone number, and if available a fax number and e-mail address
- The name of the salesperson employed by the travel club operator who solicited, negotiated, concluded or performed the travel club contract
- The date and place at which the contract was entered into
- A description of the goods, services, discounts or any other benefits to be provided under the contract
- The total amount to be paid by you in the contract including any ongoing fees
- The terms of payment
- The length of the contract; and
- Information about your cancellation rights.

If the travel club business provides the financing for the agreement, the contract must include a disclosure statement that provides you with the total cost of the credit, the interest rate, the payment schedule, fees, charges and optional services, and any security that may be taken for payment.

Both you and the travel club operator must sign the travel club contract. Once you sign the agreement you must receive a written copy or the electronic form of the contract within 15 days.

CANCELLATION RIGHTS

You have 10 days from either the date the contract was entered into or the date you received a copy of the signed contract in which to cancel the agreement. You do not need a reason to cancel the contract. You can cancel by any method but you must be able to prove that you cancelled the agreement. Cancellation methods may include personal service, registered mail, courier or fax. Keep a copy of your cancellation notice in case you need to verify that you cancelled the transaction.

You must give or send the cancellation notice to the travel club operator at the address on the contract. If you did not receive a copy of the contract with an address, or you do not know or are unable to locate an address for the travel club operator (or salesperson), you may send your cancellation notice to the:

Director of Fair Trading
Service Alberta
3C, Commerce Place
10155 – 102 Street
Edmonton, AB T5J 4L4

Additional cancellation rights

You may also be able to cancel the contract up to one year from the date the agreement was signed if

- the business was not licensed when the contract was signed
- the contract did not contain the required information
- you did not receive a signed copy of the contract within the required time frame; or
- the contract was not signed by both you and the business.

In addition, you may cancel the contract at any time if the goods or services to be delivered under the contract were not provided because the business ceased operation or substantially changed its operation. If you cancel your contract for these reasons, your cancellation notice must include your reason for cancellation.

AFTER CANCELLATION

If you cancel your contract within the 10-day cancellation period, the travel club operator has 15 days from the date of cancellation to refund all the money paid by you under the agreement. You are under no obligation to return your original contract or other information you may have received to the travel club operator as a condition to processing the refund. However, if you received some of the goods and services under the contract during this period, the travel club operator is entitled to reasonable compensation for what was provided, but not until the operator has provided you with your full refund.

If you exercise one of the additional cancellation rights, the operator must also provide you with your refund within 15 days after the contract has been cancelled. However, the travel club operator is entitled to prorate the amount of the refund based on the percentage of the term of the contract remaining after the date of cancellation.

If you don't receive your refund within 15 days, contact Service Alberta as soon as possible. You may have the right to claim against the security if the business was licensed. You have a limited time in which to make your claim.

RULES OF CONDUCT FOR TRAVEL CLUB OPERATORS

A travel club operator includes every individual who acts on behalf of a travel club operator in the travel club business. Everyone must comply with the following code of conduct. Travel club operators must

- identify themselves as a travel club operator and that they are soliciting you for the purpose of entering into a travel club contract
- not use print whose size or other visual characteristics impair the legibility or clarity of the contract; or
- not commit an unfair practice. Section 6 of the *Fair Trading Act* covers this.

FOR MORE INFORMATION

For additional information about the *Travel Clubs Regulation* call:

Consumer Contact Centre:

Edmonton: (780) 427-4088

Toll-free in Alberta: 1-877-427-4088

www.servicealberta.ca

A current version of this and other consumer tipsheets are available at the Service Alberta website www.servicealberta.ca. Most public libraries have Internet access if you don't have access at home.

If you need more copies of this tipsheet, you have permission to photocopy.