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STATUTORY INSTRUMENTS

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**2010 No. 2960**

**The Timeshare, Holiday Products, Resale  
and Exchange Contracts Regulations 2010**

**PART 5**

**TERMINATION OF REGULATED CONTRACTS**

**Rights of withdrawal**

**20.**—(1) A consumer may withdraw from a regulated contract by giving the trader written notice of withdrawal during the withdrawal period.

(2) For the purposes of paragraph (1), written notice is to be regarded as having been given by the consumer at the time it is sent.

(3) The consumer does not have to give any reason for the withdrawal.

(4) The consumer may use the standard withdrawal form included in the contract under regulation 15(7) as the notice of withdrawal.

**The withdrawal period**

**21.**—(1) The withdrawal period for a regulated contract—

(a) begins on the start date, and

(b) ends on the date which is 14 days after the start date, subject to the following provisions.

(2) The start date is the later of—

(a) the date of conclusion of the contract;

(b) the date on which the consumer receives a copy of the contract.

(3) Paragraph (4) applies if a standard withdrawal form is not included in the contract in accordance with regulation 15(7).

(4) The withdrawal period ends—

(a) on the date which is one year and 14 days after the start date, or

(b) in a case where the standard withdrawal form is provided to the consumer within the period of one year beginning on the start date, on the date which is 14 days after the day on which the consumer receives the form.

(5) Paragraph (6) applies if the key information in relation to the contract is not provided to the consumer in accordance with the requirements in regulation 12(4) to (7).

(6) The withdrawal period ends—

(a) on the date which is three months and 14 days after the start date, or

(b) in a case where the key information in relation to the contract is provided to the consumer within the period of three months beginning on the start date in accordance with the

requirements in regulation 12(4) to (7), on the date which is 14 days after the day on which the consumer receives the information.

(7) In a case where both paragraphs (4) and (6) apply, the withdrawal period ends on the later of the dates determined by those paragraphs.

(8) Paragraph (9) applies in a case where a timeshare contract and a related exchange contract are offered to the consumer at the same time.

(9) The withdrawal period for both contracts is to be the one which would apply to the timeshare contract under this regulation.

(10) For the purposes of paragraph (8), an exchange contract is related to a timeshare contract if the exchange contract allows the consumer to give other persons access to benefits under the timeshare contract under a timeshare exchange system (see regulation 10(2)).

### **Effect of exercising right of withdrawal**

**22.**—(1) This regulation applies if a consumer withdraws from a regulated contract by giving written notice of withdrawal to the trader under regulation 20.

(2) The following obligations of the parties are terminated with effect from the date the consumer sends the notice of withdrawal—

- (a) their obligations under the regulated contract, and
- (b) if the regulated contract is a timeshare contract or a long-term holiday product contract, their obligations under any ancillary contract.

(3) The reference to obligations in paragraph (2) includes, in the case of a long term holiday product contract, an obligation to pay any penalty or further instalments of the payment schedule (see regulation 26).

(4) The consumer is not liable for any costs or charges—

- (a) in respect of the regulated contract, or
- (b) if the regulated contract is a timeshare contract or a long-term holiday product contract, in respect of any ancillary contract.

(5) The reference to costs and charges in paragraph (4) includes any costs or charges corresponding to services provided under a contract before withdrawal.

(6) “Ancillary contract”, in relation to a timeshare contract or long-term holiday product contract (“the main contract”), means a contract under which the consumer acquires services which are related to the main contract and which are provided by—

- (a) the trader, or
- (b) a third party on the basis of an arrangement between the third party and the trader.

(7) An exchange contract which is related to a timeshare contract (see regulation 21(10)), is an ancillary contract in relation to the timeshare contract for the purposes of paragraph (6).

### **Automatic termination of credit agreement**

**23.**—(1) This regulation applies if a consumer withdraws from a regulated contract by giving written notice of withdrawal to the trader under regulation 20.

(2) Any related credit agreement is automatically terminated at no cost to the consumer.

(3) If the trader is not also the creditor under the related credit agreement, the trader must, on receipt of the notice of withdrawal, without delay inform the creditor that the notice has been received.

(4) A credit agreement is related to a regulated contract if it is an agreement under which credit which fully or partly covers any payment under the regulated contract is granted to the consumer by—

- (a) the trader, or
- (b) a third party on the basis of an arrangement between the third party and the trader.

#### **Termination of long-term holiday product contracts**

**24.**—(1) A consumer who is party to a regulated contract that is a long-term holiday product contract may terminate the contract in accordance with this regulation without incurring any penalty.

(2) The consumer may terminate the contract by giving notice of termination to the trader no later than 14 days after any day on which the consumer receives a request for payment of an instalment under regulation 26(4).

(3) The right to terminate the contract under this regulation does not affect any other right available to the consumer to terminate or withdraw from the contract.

(4) The reference to “instalment” in paragraph (2) does not include the first instalment.