

CONSUMER ALERT

Wisconsin Department of Agriculture, Trade & Consumer Protection datcp.wisconsin.gov



Timeshare Resale Scams Surface in Wisconsin

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MADISON – Wisconsin consumers looking to sell their timeshares may find an unsolicited offer of help from a resale company to be tempting...but they may want to reconsider. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) is asking sellers to do their research when choosing a timeshare resale company and to be skeptical of unsolicited resale offers – particularly when they involve upfront fees.

DATCP's Consumer Protection Hotline has recently received a number of inquiries from consumers who were contacted about reselling their timeshares. These unsolicited calls were from a company that claimed to be located at an address in downtown Madison, but one of the callers to the hotline visited the address and found no such business.

Consumers who contacted the hotline about these calls claim they were asked for overseas wire transfers in order to set up sales agreements. One caller's friend wired \$30,000 to Mexico for the company to use in setting up an escrow account for the sale of a timeshare. Another hotline caller received a similar solicitation with a claim that an attorney needed money wired to Mexico to complete a sale. A third caller to the hotline was asked for \$7,500 upfront to initiate the sales process on a timeshare.

As always, the Consumer Protection Bureau advises consumers to view an overseas wire transfer request as a red flag for a possible scam. If you are considering working with a timeshare reseller, follow these safeguards:

- **Ask the salesperson for all information in writing.** Read what you have been given – including the fine print. Ask questions about everything that is not clear to you.
- **Ask if the reseller's agents are licensed to sell real estate where your timeshare is located and verify it with state regulators.** Deal only with licensed brokers and agents and ask for references from satisfied clients.
- **Ask how the reseller will advertise the timeshare.** Will you get progress reports? How often?
- **Ask about fees and timing.** It is preferable to do business with a reseller that takes its fee after the timeshare is sold. If you must pay a fee in advance, ask about refunds. Get refund policies and promises in writing.
- **Do not assume that you will receive the full purchase price for your timeshare,** especially if you have owned it for less than five years and the location is not very popular.
- **Do not give in to high-pressure sales tactics.** After you have talked to the company, go home and think about it for a few days. Ask trusted family members and friends for their opinions before signing anything. If the company is legitimate, it will give you time to make a decision.
- **Do not agree to anything until you have had a chance to check out the reseller.** Contact Consumer Protection to determine if it has any complaints. Search the company's name online to learn what others have said about the company.
- **If you choose to work with a reseller, know that you will sign a legally binding contract.** If you aren't completely comfortable with the terms of the deal, don't sign the contract.

For more information or to file a consumer complaint, visit datcp.wisconsin.gov, send an e-mail to datcpHotline@wisconsin.gov or call the hotline toll-free at 1-800-422-7128.

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