

BBB Warns Vacationers that Travel Club Membership Doesn't Always Pay

Would-be travelers are spending thousands of dollars to take advantage of travel deals that didn't exist.

May 1, 2008 -Arlington, VA – With the cost of travel skyrocketing, consumers are increasingly susceptible to fraudulent offers for special deals on vacations, and Better Business Bureau (BBB) is warning vacationers to be wary of joining “travel clubs.” Complaints to BBB show that many travel clubs promise huge discounts on hotels, airfare, and cruises but fail to deliver for members despite the high cost of joining.

“Along with increasing energy costs, the overall cost of travel is expected to go through the roof and many consumers are looking for ways to get affordable deals on flights and vacations,” said Steve Cox, BBB Spokesperson. “Unfortunately, many vacationers are being seduced by slick presentations and empty promises from high-pressure salesmen claiming that joining a travel club will let them in on great deals that ultimately don't materialize.”

In the first quarter of 2008 alone, consumers filed nearly 350 complaints with BBB against travel clubs in the U.S. Thousands of complaints have been filed with BBB about travel clubs in the last three years and all tell a similar story of being lured—either in person, over the phone or through the mail—to a high-pressure sales presentation with the promise of receiving free airline tickets, gas cards, or tickets to shows. During the presentation, consumers are told they would be able to take advantage of remarkable deals on airfare and vacations if they joined the travel club for a membership fee of as much as \$8,000.

Complaints to BBB reveal a pattern of problems with booking travel arrangements and evidence that the “deals” offered by travel clubs were no better—and often worse—than what customers found on their own. Complainants also state that sales presentations were extremely misleading and many felt they were “tricked” into giving up their right to cancel contracts.

Other organizations in addition to BBB have shown concern over the number of complaints for travel clubs. Nearly a dozen state Attorneys General [WA, FL, MO, TX, IN, WI, OR, MD, NH, OH, KY] have held investigations into travel clubs and the Florida Consumer Services Division recently warned consumers that the number of complaints against travel clubs was on the rise after receiving 298 complaints about travel clubs in 2007—almost triple the 106 filings the previous year.

From reports and complaints filed with BBB, following are examples of travel clubs where membership doesn't pay:

Travel clubs are extremely prevalent in popular tourist destinations such as Branson, MO. In 2007, BBB serving Southwest Missouri received nearly 200 complaints about 18 travel clubs operating in their area. One company, **Travel More Now**, lures tourists to their sales presentation with offers of free show tickets. At the presentation, the company claims they can set people up as travel agents allowing them to take advantage of hidden travel deals for a membership fee upwards of \$8,000. Complainants felt extremely misled by the sales pitches and many were shocked to learn that they had given up their right to rescind their membership

within the promised 3-day window by simply accepting a gift certificate to Red Lobster (Red Lobster is not affiliated with Travel More Now).

BBB serving Tucson reports that Arizona residents have received suspicious cards in the mail claiming they've won two roundtrip tickets to anywhere in the U.S. and need to call a phone number to receive their prize. Consumers were led to believe the cards were from Southwest Airlines because the company logo was prominently displayed; the cards were actually from **Show Me Destinations** and not at all affiliated with Southwest Airlines. Complainants state that they were required to attend a sales pitch where they were told that for between \$3,000 and \$6,000 they could purchase software that would allow them to access special travel deals. Complainants who purchased the software felt that the salespeople misrepresented the availability of vacations and had difficulty getting refunds. The free trip, offered as an inducement to attend the sales presentation, was also difficult or impossible to redeem. Consumers often were not refunded "good faith" cash deposits required to schedule the "free" trip.

BBB serving Central Florida has several travel clubs operating in their area including **Advantage Travel LC**, also doing business as **Great Escapes**, which has received 110 complaints from consumers in 14 states. Over the phone and through mail solicitations, Advantage Travel lures people to their sales presentations with offers for "free" gas cards or vacations. Complaints reveal that consumers must jump through so many hoops it is almost impossible to receive the "free" prizes. Complainants who signed up paid a membership fee ranging from \$1,000 to \$7,000 and eventually found that the sales staff misrepresented vacation availability and the amount customers would save on travel. Despite a guarantee that members would save money through the club, many complainants state that they consistently found better deals on their own elsewhere.

"Vacation clubs, special travel agent training and bargain-finder software, often aren't good deals because initial costs are rarely recouped by any future savings on travel costs since the bargains and special deals don't really exist as portrayed in the sales pitches." added Cox. "Consumers need to be very wary of travel club offers and research the companies extensively before committing any money or giving out credit card or bank account information."

Travel Clubs are a "suspect industry" with BBB due to a high level of misrepresentation and dissatisfied customers, but there are a number of reputable travel clubs operating in the U.S. Before signing up with a travel club, vacationers should do their research and check the company's Reliability Report with BBB first at www.bbb.org to make sure that it is trustworthy.

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