

PROFIT

Prevention of Fraud in Travel

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INDUSTRY BRIEFING NOTE

no. 1

HOLIDAY HOME RENTALS

BACKGROUND

Renting out a furnished apartment or house on a temporary basis as an alternative to a hotel has long been a popular travel option in Europe and is becoming increasingly popular across the world.

These types of holiday are often referred to as **self-catering rentals**, **property rentals** or **holiday home rentals**, this term includes villa rentals, and is also sometimes referred to as holiday rentals, holiday lets, holiday lettings or vacation rentals.

WHAT IS A HOLIDAY HOME RENTAL?

Holiday home rentals are typically fully furnished properties, such as, villas, holiday cottages, flats, town houses or single-family-style homes. The traveller arranges to rent the property for a designated period of time. The most prevalent industry practice is for weekly, or multiples of weekly, rentals; however, many also offer short breaks of less than four nights and some nightly breaks, just like hotels.

A true holiday home rental is not for sale to the guest; rather, the owner of the holiday home merely allows the guest to rent the property for a predetermined length of time.

TIMESHARE IS SOMETHING DIFFERENT

Holiday home rentals should not be confused with **timeshares** which are properties, often fully furnished apartments that are shared by multiple owners. While different types of timeshare ownerships exist, in general, each owner bears a portion of the responsibility, along with the right to a segment of time in which he or she is granted sole use of the property.

ADVANTAGES OF RENTING A HOLIDAY HOME

Holiday home rentals are popular for many reasons, some of the foremost being cost savings, more space in the accommodation, freedom to come and go as you please, and no tips, taxes or service charges that are associated with hotel rooms. Typically properties have kitchens for cooking, living rooms for gathering together and offer the appeal of living in a real neighbourhood and soaking up the local way of life.

Rental properties can range from budget studio apartments to lavish, expensive private villas in the world's most desirable locations. You therefore have a wide range of prices from a few to many hundreds of pounds per night with all the amenities you would find in any luxury accommodation (fully staffed, private beaches, boats, chefs, cooking lessons, etc) to cater to the guests.

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Perceived disadvantages of renting a holiday home can include having to communicate directly with the property owner, being unfamiliar with the property, lack of on-site staff, and concerns about quality or cleanliness — however, these are mitigated by either arranging the holiday through a UK tour operator or with villa or holiday home rentals agencies that manage vacation properties for owners and offer many of the same services hotels offer to their guests, e.g., front desk check-in, 24-hour maintenance, in-house housekeeping, concierge service.

Generally the benefits outweigh the perceived disadvantages.

HOW IS THE HOLIDAY HOME RENTAL SECTOR REGULATED?

Holiday home rentals are usually sold in isolation and so do not form a 'package'. This means that they generally do not come within the scope of the Package Travel, Package Holidays and Package Tours Regulations 1992 or Civil Aviation (Air Travel Organisers' Licensing) Regulations 1995 meaning that customer protection arrangements are not legally required to be in place. However, several companies involved in renting Holiday Homes do offer customer protection and some are members of ABTA, the Travel Trust Association, or hold an ATOL licence.

However, the majority of companies involved in renting Holiday Homes, whilst being reputable organisations, are not members of a trade body such as ABTA, nor are they licensed by the CAA.

WHO RENTS OUT HOLIDAY HOMES?

Renters of holiday homes are a diverse group including families who rent out time allocations in their own second homes, individuals who own one or more villas, property management companies, and tour operators who may own a selection of holiday properties.

LISTING & TOUR OPERATOR COMPANIES

The holiday home rental organisations that work with PROFIT are generally tour operators or listing companies.

There are numerous companies that specialise in holiday home rentals and most can be booked via the internet. Reputable holiday home rental companies will have familiarity with the regions and properties they represent as well as official booking/rental agreements and generally standardized booking procedures, cancellation policies, key collection, etc.

Additionally, holiday home rentals may be offered through listing sites. Listing sites typically display property information and photos provided by the homeowner; however the listing services bear no legal responsibility for the accuracy of the information. Also, because the listing sites do not verify the information, guests are encouraged to view references from past renters and to procure a lease agreement prior to sending money directly to a homeowner.

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Many listing services do, however, now perform identity verification checks on their advertisers prior to publishing the holiday home adverts on their sites, so that the identity of the advertiser is certified as legitimate. All of the companies working with PROFIT do carry out owner verification checks.

TOUR OPERATORS

A small number of holiday home organisations that work with PROFIT are tour operators. These organisations are regulated and take full responsibility for the products they sell.

TRAVELLERS CONCERNS

The vast majority of travellers who book a villa or holiday home have no problems and enjoy the holiday that they have booked and arranged themselves. However, travellers can go some way to protecting themselves from the chances of booking a bogus holiday home by choosing a reputable company, to book with such as the ones working with PROFIT .

Where the holiday home rental organisation controls the stock of premises that are rented out directly bogus premises will not be an issue. The common problem for those companies that do not directly control their stock of properties is that there is no foolproof method for checking out property and owners that are based abroad. In addition the technology solutions that are available for checking out owners identities tend to be very poor when it comes to overseas checks.

To ensure that bogus holiday homes do not become associated with their branding, holiday home rental, listing, and aggregator companies have their own methods for ensuring that bogus properties are not offered to the public. Most companies deal with a core of property owners that they have known and worked with for many years.

All holiday home rental companies that are working with PROFIT carry out a level of checks on owners which may include using technological solutions. Several companies have invested heavily in technology to help them with this.

Holiday home rental companies that are working with PROFIT also share information on bogus properties that attempt to advertise with them which helps stop those advertisements being placed across the industry.

Several listing sites offer secure payment facilities which helps protect holidaymakers from fraudulent owners. And some companies offer between 50% and 100% money back guarantees for travellers booking with them but consumers need to check individual companies' terms and conditions for the full details of each scheme. This means that in the event of a problem the traveller can still get some or all of their money back with many companies.

Another problem that travellers have concerns about is where a property looks like paradise in the photos, but is not up to scratch upon arrival. In other words the property is significantly not as described. As a result, holiday home rental companies often host user reviews so travellers can make up their own minds before booking.

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HOW TO AVOID PROBLEMS WHEN BOOKING A HOLIDAY HOME

The factors outlined above make it difficult for customers to know what to look for so we would advise the following tips on how to minimise the risks.

1. Where possible the traveller should pay using their own credit card to gain the protection of s.75 Consumer Credit Act 1974.
2. Check out the company you wish to book with and only use an established brand. The companies who work with PROFIT are listed below.
3. Avoid booking holiday homes from classified sites where they sell all manner of things such as cars, airline tickets, etc. No checks will be carried out on the property owner on these sites, nor will anyone help you if a problem occurs.
4. Some mainstream travel companies have holiday home operations. Many such travel organisers are members of ABTA who check out these companies and may refund in the event of insolvency. ABTA members have to follow the ABTA code of conduct which promotes high standards of service. When you book with a Travel Trust Association member you shall be 100 % financially protected in the event that the member ceases to trade.
5. Companies that enable you to 'book direct' will put you directly in touch with the home owner/property manager to make the booking - ask the advertising company what checks they have made of the home owner before parting with your money. Be clear whether you are transacting with the company presenting the home, or with the holiday home owner directly.
6. Some holiday home rental company's offer guaranteed refunds of between 50 and 100% and several do not pay the property owner until the customer returns so protecting the customer from bogus owner fraud. This is a guaranteed method of minimising risk.
7. Some holiday home rental companies own their properties enabling them to 100% verify that you are safe to book and they have reps in resort to help with any problems.
8. Do not be tempted to find a property on a holiday home rental site or that of a listing site and then contact the owner outside of the systems the site has in place as you will lose the benefit of any security or checks and refund offer that that site offers.
9. It is always worth checking the owner/property out on review sites before booking.
10. Supplier Failure Insurance is available for individuals to cover problems with property rental operators. However this may not pay out in the event of a fraud. Companies such as EuropAssist do offer top up insurance policies to cover these instances.

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11. If at any stage of the booking process you do not feel happy about the property you are renting, tell the company whose site you used and do not book it. There are plenty of other companies and properties out there.
12. If you become a victim of holiday home rental fraud e-mail 'action fraud' www.actionfraud.org.uk with the details and keep all of the evidence.

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VILLA COMPANIES WORKING WITH PROFIT

Company name	Contact Details	Address	3 rd party verification tools used	Notes
Direct Holiday Villas Ltd	Neil Welsh 01527 405595 neil@direct-holidayvillas.com	Direct Holidays Villas Ltd 148 Easemore Road, Redditch B98 8HH www.direct-holidayvillas.com		TravelTrust Association Member TTA U4511
Holiday Lettings	Kate Stinchcombe-Gillies PR & Communications Manager 01865 312010 kate@holidaylettings.co.uk	Holiday Lettings Ltd 2nd Floor, Barclay House, 242-254 Banbury Road, Oxford, OX2 7BY http://www.holidaylettings.co.uk	YES	Part of the TripAdvisor® Media Group
Holiday home Rentals	Nick Youngson Owner 0151 423 0815 nick@portsidepromotions.com	Portside Promotions S13 Waterloo Centre, Waterloo Road, Widnes, Cheshire WA8 0PR http://www.holiday-home-rentals.co.uk	YES	100% money back guarantee subject to terms
HomeAway Holiday-Rentals	Syed Miah 0208 827 1971 smiah@homeaway.co.uk	HomeAway UK Limited Hythe House, 200 Shepherds Bush Road, London, W6 7NL http://www.holiday-rentals.co.uk/	Internal systems	Part of the HomeAway Group of Companies. 50% money back guarantee subject to terms
Owners Direct	Andy Edwards 01372 734 555 andy@ownersdirect.co.uk	Owners Direct Holiday Rentals Ltd First Floor, Renaissance House 32 Upper High Street, Epsom Surrey KT17 4QJ http://www.ownersdirect.co.uk	Internal systems	Part of the HomeAway Group of Companies 50% money back guarantee subject to terms
Perfect Getaways	Dave Palmer 0151 550 4515 dave@perfectgetaways.co.uk	Perfect Getaways Ltd First Floor, Pioneer House, Pioneer Business Park, Ellesmere Port, Cheshire, CH65 1AD http://www.perfectgetaways.co.uk	YES	
Spain Holidays	Claus Sorensen CEO 0034 952204435 claus@spain-holiday.com	Spain holiday online rentals S.L. C/ Panorama 12, 3a Cerrado de Calderon 29018 Malaga Spain http://www.spain-holiday.com	Internal systems	
Villa Plus	Simon Lifford Sales & Marketing Manager 01727 836686 Simon@villaplus.com	Villa Plus Ltd, Drover House 16 Adelaide Street, St Albans, Hertfordshire AL3 5BH http://www.villaplus.com		ATOL protected
Villarenters	James Marchant, Managing Director 020 8323 5000 james@villarenters.com	Rentalsystems.com Ltd County Chambers Kings Road, Melton Mowbray LE13 1QF http://www.villarenters.com	YES	Owned by Daily Mail & General Trust Plc 100% money back guarantee subject to terms
Vivastay	Danny Gallo 0121 451 3400 d.gallo@vivastay.com	Viva Travel Limited Unit 41, Oakwood Hill Ind. Estate Oakwood Hill, Loughton Essex IG10 3TZ http://www.vivastay.com		