# Enclosures to letter to KwikChex Limited

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Ministry of Justice

# PRACTICE DIRECTION – PRE-ACTION CONDUCT AND PROTOCOLS


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## Introduction

**1.** Pre-action protocols explain the conduct and set out the steps the court would normally expect parties to take before commencing proceedings for particular types of civil claims. They are approved by the Master of the Rolls and are annexed to the Civil Procedure Rules (CPR). (The current pre-action protocols are listed in paragraph 18.)

**2.** This Practice Direction applies to disputes where no pre-action protocol approved by the Master of the Rolls applies.A person who knowingly makes a false statement in a pre-action protocol letter or other document prepared in anticipation of legal proceedings may be subject to proceedings for contempt of court.

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## Objectives of pre-action conduct and protocols

**3.** Before commencing proceedings, the court will expect the parties to have exchanged sufficient information to—

(a) understand each other's position;

(b) make decisions about how to proceed;

(c) try to settle the issues without proceedings;

(d) consider a form of Alternative Dispute Resolution (ADR) to assist with settlement;

(e) support the efficient management of those proceedings; and

(f) reduce the costs of resolving the dispute.

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## Proportionality

**4.** A pre-action protocol or this Practice Direction must not be used by a party as a tactical device to secure an unfair advantage over another party. Only reasonable and proportionate steps should be taken by the parties to identify, narrow and resolve the legal, factual or expert issues.

Settings

**5.** The costs incurred in complying with a pre-action protocol or this Practice Direction should be proportionate (CPR 44.3(5)). Where parties incur disproportionate costs in complying with any pre-action protocol or this Practice Direction, those costs will not be recoverable as part of the costs of the proceedings.

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## Steps before issuing a claim at court

**6.** Where there is a relevant pre-action protocol, the parties should comply with that protocol before commencing proceedings. Where there is no relevant pre-action protocol, the parties should exchange correspondence and information to comply with the objectives in paragraph 3, bearing in mind that compliance should be proportionate. The steps will usually include—

(a) the claimant writing to the defendant with concise details of the claim. The letter should include the basis on which the claim is made, a summary of the facts, what the claimant wants from the defendant, and if money, how the amount is calculated;

(b) the defendant responding within a reasonable time – 14 days in a straight forward case and no more than 3 months in a very complex one. The reply should include confirmation as to whether the claim is accepted and, if it is not accepted, the reasons why, together with an explanation as to which facts and parts of the claim are disputed and whether the defendant is making a counterclaim as well as providing details of any counterclaim; and

(c) the parties disclosing key documents relevant to the issues in dispute.

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## Experts

**7.** Parties should be aware that the court must give permission before expert evidence can be relied upon (see CPR 35.4(1)) and that the court may limit the fees recoverable. Many disputes can be resolved without expert advice or evidence. If it is necessary to obtain expert evidence, particularly in low value claims, the parties should consider using a single expert, jointly instructed by the parties, with the costs shared equally.

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## Settlement and ADR

**8.** Litigation should be a last resort. As part of a relevant pre-action protocol or this Practice Direction, the parties should consider whether negotiation or some other form of ADR might enable them to settle their dispute without commencing proceedings.

**9.** Parties should continue to consider the possibility of reaching a settlement at all times, including after proceedings have been started. Part 36 offers may be made before proceedings are issued.

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**10.** Parties may negotiate to settle a dispute or may use a form of ADR including—

(a) mediation, a third party facilitating a resolution;

(b) arbitration, a third party deciding the dispute;

(c) early neutral evaluation, a third party giving an informed opinion on the dispute; and

(d) Ombudsmen schemes.

(Information on mediation and other forms of ADR is available in the Jackson ADR Handbook (available from Oxford University Press) or at—

https://www.gov.uk/guidance/a-guide-to-civil-mediation

**11.** If proceedings are issued, the parties may be required by the court to provide evidence that ADR has been considered. A party's silence in response to an invitation to participate or a refusal to participate in ADR might be considered unreasonable by the court and could lead to the court ordering that party to pay additional court costs.

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## Stocktake and list of issues

**12.** Where a dispute has not been resolved after the parties have followed a pre-action protocol or this Practice Direction, they should review their respective positions. They should consider the papers and the evidence to see if proceedings can be avoided and at least seek to narrow the issues in dispute before the claimant issues proceedings.

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## Compliance with this Practice Direction and the Protocols

**13.** If a dispute proceeds to litigation, the court will expect the parties to have complied with a relevant pre-action protocol or this Practice Direction. The court will take into account non-compliance when giving directions for the management of proceedings (see CPR 3.1(4) to (6)) and when making orders for costs (see CPR 44.3(5)(a)). The court will consider whether all parties have complied in substance with the terms of the relevant pre-action protocol or this Practice Direction and is not likely to be concerned with minor or technical infringements, especially when the matter is urgent (for example an application for an injunction).

**14.** The court may decide that there has been a failure of compliance when a party has—

(a) not provided sufficient information to enable the objectives in paragraph 3 to be met;

(b) not acted within a time limit set out in a relevant protocol, or within a reasonable period; or

(c) unreasonably refused to use a form of ADR, or failed to respond at all to an invitation to do so.

**15.** Where there has been non-compliance with a pre-action protocol or this Practice Direction, the court may order that

(a) the parties are relieved of the obligation to comply or further comply with the pre-action protocol or this Practice Direction;

(b) the proceedings are stayed while particular steps are taken to comply with the pre-action protocol or this Practice Direction;

(c) sanctions are to be applied.

**16.** The court will consider the effect of any non-compliance when deciding whether to impose any sanctions which may include—

(a) an order that the party at fault pays the costs of the proceedings, or part of the costs of the other party or parties;

(b) an order that the party at fault pay those costs on an indemnity basis;

(c) if the party at fault is a claimant who has been awarded a sum of money, an order depriving that party of interest on that sum for a specified period, and/or awarding interest at a lower rate than would otherwise have been awarded;

(d) if the party at fault is a defendant, and the claimant has been awarded a sum of money, an order awarding interest on that sum for a specified period at a higher rate, (not exceeding 10% above base rate), than the rate which would otherwise have been awarded.

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## Limitation

**17.** This Practice Direction and the pre-action protocols do not alter the statutory time limits for starting court proceedings. If a claim is issued after the relevant limitation period has expired, the defendant will be entitled to use that as a defence to the claim. If proceedings are started to comply with the statutory time limit before the parties have followed the procedures in this Practice Direction or the relevant pre-action protocol, the parties should apply to the court for a stay of the proceedings while they so comply.

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## Protocols in force

**18.** The table sets out the protocols currently in force and from which date.

| Protocol | Came into force |
|---|---|
| Personal Injury | 6 April 2015 |
| Resolution of Clinical Disputes | 6 April 2015 |
| Construction and Engineering | 9 November 2016 2nd Edition |
| Defamation | 02 October 2000 |
| Professional Negligence | 16 July 2000 |
| Judicial Review | 6 April 2015 |
| Disease and Illness | 8 December 2003 |
| Housing Disrepair | 6 April 2015 |

| | |
|---|---|
| Possession Claims by Social Landlords | 6 April 2015 |
| Possession Claims for Mortgage Arrears | 6 April 2015 |
| Dilapidation of Commercial Property | 1 January 2012 |
| Low Value Personal Injury Road Traffic Accident Claims | 30 April 2010 extended from 31 July 2013 |
| Low Value Personal Injury Employers' and Public Liability Claims | 31 July 2013 |
| Personal Injury Claims Below the Small Claims Limit in Road Traffic Accidents | 31 May 2021 |

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TIMESHARE ASSISTANCE

# DEVASTATED – VULNERABLE INVESTORS EXPRESS THEIR DISMAY OVER THE FAILED PROMISES OF SEASONS HOLIDAYS

Front Page | News

March 21, 2025

Article written by Chris Emmins, CEO of KwikChex

Yesterday, I spoke with two people who are struggling to understand how a Vacation Investment product, sold by Seasons Holidays PLC as something everyone would want to invest in, has left them feeling betrayed and broken.

In the first call, Colin (name changed), broke down in tears as he told me how he was expecting a significant payout on the money he had paid Seasons – but is now being told that the scheme is likely to cost him more money rather than help him and his wife in the difficult circumstances of their retirement. I asked how they were feeling about the situation, and he replied that his wife had been having 'dark thoughts' – it was at this point he dissolved into tears.

An hour later, I was on the phone to Julia (name changed). She described how, after informing Seasons that her husband had only a few months to live, they were pressured into attending a

meeting with one of their salespeople, who, even after the sad situation was emphasised, tried to persuade them that the best way to avoid having to pay previously undisclosed, claimed fees, was to take out a loan for thousands more to buy a new long-term holiday product.

If these calls had been isolated incidents, I would still have been shocked – but I have had dozens of similar conversations with people suffering the consequences of investing in the Seasons Holidays 'Keys' scheme. They include a lady suffering from stage 4 cancer, who, in addition to not getting what was promised, was additionally banned from even taking the holidays that were at the heart of the supposed 'dream scheme'. And the reason for her ban? She had dared to make comments on social media about what was happening. Then, when she persisted in telling her story and trying to help others in the same situation, Seasons had their lawyers threaten to sue her for defamation.

Others have described how their retirement is in ruins after Seasons representatives persuaded them that the Keys scheme was so good that they cashed in their pensions to invest in the returns it would provide and the 'luxury' holidays that were included for years to come. The amounts invested are huge – up to nearly £300,000 in one case reported to KwikChex.

You might wonder how anyone could be persuaded to make such investments. Well, the truth is that these are people who were already owners of timeshares with Seasons, who, by and large, were enjoying the breaks they had at the Seasons resorts. But then, they were told by Seasons there was something so much better than timeshare – a new product that meant no annual fees, fabulous luxury accommodation for 16 years, and the choice at the end of the 16 years to 'cash in' what was described as co-ownership in freehold property that was bound to appreciate in value – or give back their share in exchange for another 16 years of luxury holidays. In fact, Seasons said, it was such an excellent investment that it was worth buying additional weeks in the scheme just to rent them out through Seasons for income while they waited for the 16 years to roll by.

**New coercive tactics**

Now, in many cases, years before the end of the original contract, Seasons is insisting that its investors attend face-to-face meetings, where they are told that they will be lucky to get anything back – and could end up owing thousands to Seasons instead. The only way out of this, Seasons says, is to swap the original Keys product for a new 'guaranteed luxury' holiday product. That's ironic because, during the time their Keys contracts have been running, Seasons have been stopping their investors from using much of the Seasons portfolio on the basis that they have been recategorised as 'Core Members' (something none of the investors had ever previously heard of) and they could no longer use the 'luxury grade' resorts and accommodation.

And what of the promised 16-year, no-cost extension? Seasons is now saying that it's not viable, as the choice and availability within the scheme is so limited as to make it worthless. That's come as a sad and hard blow for many who invested not for the supposed financial return but for the prospect of free, luxury holidays for themselves and their families for 32 years. Some who invested for this promised benefit have told KwikChex that they knew they would be unlikely to still be taking holidays

30+ years later themselves – but had told their children that they were using their savings and other investments to gift years of free holidays to them. They are now distraught at not being able to do this – and the impact it has on the value of their estate.

**Seasons Holidays Investors fight back**

However, despite their anxiety about what is happening, the investors are not taking this lying down. First came a Facebook group, which is now rapidly approaching 500 members and has led to actions being taken, including the preparation of court claims against Seasons, claims for compensation over loans made to purchase Seasons products, and complaints to the authorities.

KwikChex is helping coordinate these actions and is providing information on the situation and all of the options that are available to the many affected – according to Seasons; they sold thousands of these products. KwikChex is also calling for a formal investigation by the authorities, including an examination of the adequacy of the property trust system that investors believed would help protect them.

**Vacation Investment schemes require urgent actions**

This is not the only case of Long-Term Vacation Investment products causing distress to those who have bought into these 'dreams' – KwikChex is also working on the mis-selling and collapse of a scheme called Global Great Hotels, and the practices of Holiday Park Resorts in the selling and management of static caravans – often referred to as 'holiday lodges'. All the evidence indicates that hundreds of millions of financial detriment and extreme stress have been caused by misrepresentations, unethical sales practices, and in several cases, outright fraud.

Further information is available on these links

Seasons Owners Facebook group

Seasons Holidays Help website

Global Great Hotels & Restotel Help website

Holiday Park owners nightmare article

Vacation Investment article

KwikChex Seasons Holidays Seasons Keys Vacation Investment