

Observers bemused as RDO attempts to claim 'major Club La Costa victory' during insolvency struggles

The recent, High Court victory over Club La Costa (CLC), in which administrators BDO were replaced by the creditors' preference FRP.

LONDON, OXFORDSHIRE, UK, August 4, 2021 /EINPresswire.com/ -- Observers bemused as RDO attempts to claim 'major Club La Costa victory' during insolvency struggles

Following the recent, stunning [High Court victory over Club La Costa](#) (CLC), in which administrators BDO were replaced by the creditors' preference FRP, the RDO have attempted to present another victory, but on behalf of CLC.



Club La Costa and the RDO: Refusal to accept reality?

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Andrew Cooper hopes that CLC will now do the right thing and pay the consumers' legally mandated compensation. "It's time for Club La Costa to face up to their responsibilities."

Andrew Cooper CEO

Actual victory

CLC were dealt a serious blow last month when the creditors' choice of insolvency practitioners were allowed to take over the administration proceedings, allaying fears in some quarters that the wronged timeshare consumers would not be able to claim their court awarded compensation as part of the administration proceedings.

From 2015 onwards the Spanish courts have been issuing financial penalties against the giant timeshare company in response to their continual disregard for consumer laws

enacted to protect customers from high pressure sales.

To date [CLC owes around €47 million in lawfully awarded compensation](#) to former members with illegal timeshare contracts.

Minor legal development

The Resort Development Organisation (RDO) is paid by timeshare companies to boost their image and protect their interests. This is no easy task given Club La Costa's current situation.

In an audacious attempt at damage control, a sterling effort was made by the RDO to present a run of the mill ruling in Spanish Mercantile Courts as a 'very significant decision'.

In fact the site (which is managed by the Spanish Insolvency Practitioner Juan Carlos Robles) quoted by the RDO, reporting on the rulings by Malaga Mercantile Court number 2 simply says that "the Spanish courts are not competent to hear timeshare claims against Club La Costa." (Editor's note: This only applies to Club La Costa UK (PLC) and it's Spanish branch. All other creditor claims can still be heard in Spain)

A little further on the article clarifies that "according to EU regulation 848/2015, it must be the courts hearing the primary insolvency who deal with such claims, in the United Kingdom."

That's it. That's the 'major victory'. The claims can still be heard, but in the UK instead of Spain. A development in fact that the representatives for the CLC creditors welcome.

"Most of the claimants are English speaking, as are the lawyers and insolvency practitioners," says Andrew Cooper, CEO of European Consumer Claims (ECC). "Proceedings in the UK, under English law, and in a language all participants share, is always going to be preferable."

Deluded, or just desperate?

In what many are seeing as a misguided 'clapback' to the media coverage of the recent triumph for creditors over Club La Costa, the RDO have bravely presented this legal technicality as a 'major victory' of their own.

The RDO article accuses claims management companies of 'targeting members of the public' and the RDO writer even goes on to express 'regret' (direct quote) that 'Claims Management Companies... misinform members of the public.'

The irony of this type of statement is either lost on the RDO, or they are praying that the reader



Andrew Cooper CEO of ECC

will not notice.

RDO members Club La Costa are, after all, in this position because of many years of CLC deliberately issuing illegal contracts and ignoring consumer law so that they could profit at the expense of their customers. Many other timeshare companies have been similarly operating outside of the law. Claims management companies only exist because of consistent and large scale wrongdoing by the timeshare industry.

Whilst it is true that there are plenty of fraudulent claims companies, with well executed research or advice from consumer organisations the unwary can avoid the scammers.

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