

DEFINITIONS

'Caravan' - the holiday caravan designed for recreational use and specified in a Licence Agreement. It should not be confused with a park (mobile) home or touring caravan.

'Caravan Owner' - the individual or company in possession of the Caravan and party to a Licence Agreement.

'The Code' - this Code of Practice for Selling & Siting Holiday Caravans.

'Fair Market Value' - the price (taking into account current market conditions) which a purchaser of a caravan would reasonably expect to pay and which the seller of a caravan would reasonably expect to accept for the Caravan located for sale on the Park complete with a Licence Agreement in accordance with the Code. This price shall be calculated without regard to any commission which the Park Owner would be entitled to charge under paragraph 24 below to the buyer of the Caravan.

'Family Member' - in relation to the Caravan Owner his spouse, parent, grandparent, child (including stepchild), grandchild, brother or sister including the spouse of any of those persons.

'First Purchase' - the date on which an unused Caravan is sold to its first user whether by the Park Owner, the manufacturer or by a dealer.

'Hire'; 'Hiring' - the act of obtaining for payment whether in cash or in kind the use of the Caravan by persons (except Family Members) other than the Caravan Owner.

'Licence Agreement' - the written agreement between the Park Owner and the Caravan Owner for the siting of a Caravan on the Park.

'Licence Period' - means the cumulative period of the Licence Agreement as described in paragraph 8 below.

'Park' - land licensed for recreational use under The Caravan Sites & Control of Development Act 1960 (or in Northern Ireland under the Caravans (Northern Ireland) Act 1963) on which Caravan Owners may station their Caravans with the benefit of a Licence Agreement.

'Park Owner' - the individual or company named in the Licence Agreement as being the owner of the Park or authorised by the owner to be responsible for its operation.

'Park Rules' The rules of conduct and practice issued by the Park Owner from time to time which are applicable to the occupation and use of caravans and other facilities at the Park.

'Site Licence' The caravan site licence applicable to the Park issued to the Park Owner by the local authority under section 3 of the Caravan Sites and Control of Development Act 1960 (or in Northern Ireland under Section 3 of the Caravans Act (Northern Ireland) 1963).

'The Trade Associations' - means the British Holiday and Home Parks Association and the National Caravan Council.

Throughout the Code reference to one gender shall include the other gender and reference to the singular shall include the plural.

INTRODUCTION

i.

The Trade Associations have drawn up the Code in order to assure Caravan Owners and prospective owners who take their leisure and holidays in Caravans that their interests are being looked after. The Code has been drawn up in consultation with the Office of Fair Trading.

ii.

The Code sets out principles of good practice in the operation of parks where there are Caravans under private ownership. There is a complementary Code for Letting Caravans. The Trade Associations have adopted the principles laid down in the Code as being applicable to their membership, as a minimum standard.

iii.

There is a complaints procedure for any Caravan Owner who feels dissatisfied with the treatment he has received from a member of either Trade Association. Paragraph 28 of the Code explains how to use this procedure. The Trade Associations will review all complaints and use their disciplinary procedures against any members who are found to have breached the Code. In serious cases this may result in expulsion of the member from the Trade Association to which he belongs.

iv.

Caravan Owners must recognise that they are entering into a long term transaction which brings with it certain responsibilities. Caravan Owners should make sure they understand the full implications of each stage of their purchase transaction. They are entering into a legally binding contract and should read every document carefully before signing it. Once the purchase is complete, Caravan Owners should ensure they look after their Caravan well and understand what maintenance and upkeep is necessary, including the precautions needed before laying up for winter. The Park Owner will be able to pass on to Caravan Owners any recommendations from caravan manufacturers about over-wintering and laying up the caravan and may be able to offer advice. They must also recognise that they are joining a new circle of neighbours and should respect the privacy and rights of those neighbours.

v.

The Park Owner has to ensure that the operation of the Park follows the conditions laid down by the local authority in the Site Licence. Some of the provisions of the Licence Agreement are included because of conditions in the site licence. Caravan Owners need to be familiar with any obligations placed on them by the Site Licence and bear in mind that these can be changed by

the local authority. Where that happens it may be necessary for the Park Owner to change the terms and conditions or facilities at the Park.

vi.

The Code is for the benefit and protection of consumers. It is not intended to benefit caravan dealers or those who own caravans as part of their business activities. Similarly it is not applicable to owners of caravans who occupy caravans as permanent residences. Neither this Code nor any Licence Agreement shall confer on the Caravan Owner any interest in land or any rights after the end of the Licence Period to site a caravan on the Park.

THE CODE OF PRACTICE

General

1.

Unless otherwise stated all new caravans offered for sale by the Park Owner will comply with the relevant national or European habitation standard.

2.

All documentation issued by the Park Owner shall comply with the Unfair Contract Terms Act 1977, Sale of Goods Act 1979, Supply of Goods and Services Act 1982, the Sale and Supply of Goods Act 1994, the Unfair Terms in Consumer Contracts Regulations 1994 and other relevant statutes. The Park Owner will explain in clear and plain language to a prospective purchaser the financial terms for the purchase and siting of the Caravan and all obligatory charges for the use of facilities and amenities, including the terms applying to charges and rebates if leaving the Park. The Park Owner shall also give details of insurance requirements and utility supplies.

3.

If the terms of the Licence Agreement require the Caravan Owner to make the Caravan available for hiring, this must be made clear to the purchaser before the Licence Agreement is signed. It shall also be specifically included within the Licence Agreement.

4.

To demonstrate to the public their observance of the Code all members of the Trade Associations will prominently display their membership symbol and have copies of the Code available in their park office.

5.

The Park Owner must be capable of (or can arrange for) the service and repair of Caravans and equipment.

Right to an Agreement

6.

Under the Code all Caravan Owners are entitled to a Licence Agreement for the period of tenure provided by para.8 below. Before the prospective

purchaser enters into a legally binding agreement, the Park Owner will provide a copy of the Licence Agreement, the Park Rules and a copy of the Code. The Licence Agreement shall be personal to the Caravan Owner and not capable of assignment or transmission by him.

Selling Techniques

7.

The Park Owner and his staff must not use, and must guard against and actively discourage his agents from using, sales techniques which place undue or improper pressure on the consumer.

Tenure

8.

Anyone who has purchased a new Caravan shall be given a Licence Agreement which runs for a Licence Period of not less than ten years from the date of First Purchase. However for each year in which any Hiring takes place the Licence Period shall reduce by one year.

In the case of a used Caravan being sold by the Park Owner he shall give the Caravan Owner a Licence Agreement for a Licence Period being not less than the balance of the period of ten years referred to in the previous paragraph.

Where a park owner who is a member of one of the Trade Associations buys a park or, being a park owner already, joins one of the Trade Associations he shall where the caravan is less than ten years old, is in a suitable condition and the other provisions of this Code apply, offer the caravan owners a Licence Agreement. The Licence Period shall be not less than the unexpired period of ten years from First Purchase less a year for each year in which Hiring has taken place or will subsequently take place.

In all other cases the period of the Licence Agreement is entirely at the discretion of the Park Owner.

During the period of any Licence Agreement the Caravan Owner will not be required to remove a caravan for the purposes of creating a sale or solely on account of its age. This does not preclude a Park Owner from maintaining an age limit for caravans on the Park but this limit must also apply to caravans sold by the Park Owner and must not be less than the minimum Licence Period set out above. In such cases this must be made clear to caravan purchasers before the Licence Agreement is signed. It must also be specifically included within the Licence Agreement.

Removal of the Caravan from the Park or Pitch

9.

In the case of a serious breach by the Caravan Owner of one or more of the provisions of the Licence Agreement or Park Rules which is not capable of remedy, the Park Owner shall be entitled to end the Licence Agreement after serving reasonable notice on the Caravan Owner having regard to the nature of the breach.

In the case of a breach which is capable of remedy (such as a failure to repair or to pay the pitch fees or other charges promptly as they fall due), the Park Owner shall take no action to end the Licence Agreement until he has first served a written notice on the Caravan Owner. The written notice shall specify the breach requiring it to be put right in a reasonable time. If the Caravan Owner does not comply with the written notice the Park Owner shall be entitled to give not less than one month's notice in writing to end the Licence Agreement and to require the removal of the Caravan from the Park.

If it is the Park Owner who ends the Licence Agreement he shall fully reimburse the Caravan Owner for any pitch fees and other charges he has paid in advance for a period after the date the Licence Agreement ends.

10.

A Caravan Owner who intends to give up his pitch shall give the Park Owner at least two months' notice in writing to end his Licence Agreement unless there is some breach of obligation on the part of the Park Owner in which case he may leave earlier but shall give the Park Owner as much written notice as possible.

Where it is the Caravan Owner who ends the Licence Agreement the Park Owner must as a minimum repay any pitch fees and other charges paid by the Caravan Owner in advance for a period after the date the Licence Agreement ends on the following scale:

Where the Licence Agreement ends before the end of March
80% repayment

Where the Licence Agreement ends before the end of June
40% repayment

Where the Licence Agreement ends after the end of June
no repayment

Park owners should note that where the caravan owner is leaving because of a breach by the Park owner they may be required to give a greater refund.

11.

However the Licence Agreement is brought to an end the Caravan Owner must permit the Park Owner the exclusive right to move the Caravan from the pitch and will give at least 7 days' notice in writing of his wish to remove the Caravan from the Park. The Park Owner may refuse to permit the Caravan to be removed from the Park at weekends and on Bank Holidays (Scotland Local Holidays). Any charge made by the Park Owner for removing the caravan will be limited to the reasonable reimbursement of costs incurred and for time spent in doing this.

12.

A Park Owner who wishes to move a Caravan from a particular pitch to allow redevelopment shall give the Caravan Owner at least three months' notice in writing and shall be responsible for all reasonable costs of the move. If a Caravan is moved for this purpose the Park Owner will reinstate the Caravan

after the work is completed. If the consequence of redevelopment is that the original pitch is less pleasant or if the move is permanent the Park Owner shall provide an alternative satisfactory similar pitch. Among the features to be taken into account in deciding whether the original pitch is less pleasant as the result of redevelopment will be the loss of a view and proximity to traffic.

13.

In an emergency, the Park Owner will endeavour to give at least seven days notice before temporarily removing the Caravan from a pitch for the purposes of maintenance.

Pitch Fees and Other Charges

14.

The Park Owner shall give the Caravan Owner at least three months notification of an increase in pitch fees. Normally pitch fees will increase in line with changes in the cost of living or to cover the cost of improvements on the Park.

15.

Where an increase in pitch fees is proposed the Park Owner shall give the Caravan Owner an explanation in writing of the reasons for the proposed increase.

16.

If not less than 51% of all Caravan Owners on the Park affected by the increase object in writing then the matter shall be referred to the special arbitration scheme for pitch fee disputes.

17.

The Park Owner may pass on to Caravan Owners as appropriate any charges which are not within the control of the Park Owner such as rates, water charges and other charges paid to third parties. Statutory charges will be in accordance with relevant legislation.

18.

The Park Owner shall not re-sell electricity at a price higher than that set by the Office of the Electricity Regulator (OFFER). Similarly the Park Owner shall not sell bottled gas at a price higher than the recommended retail price as set from time to time by the gas supplier.

19.

Caravans shall be properly insured against fire and storm damage and third party liability.

Resale of Caravans

20.

The purpose of this section of the Code is to provide guidance so that a balance is maintained between the reasonable expectations of both the Park Owner and the Caravan Owner. A Caravan Owner may reasonably expect to receive a fair price for his Caravan if he chooses to sell his Caravan. Equally, the Park Owner may reasonably expect to control the occupancy of the Park.

21.

The Caravan Owner shall have the unrestricted right to sell his Caravan off the Park or to remove it at any time, as long as he has settled all outstanding accounts due to the Park Owner in excess of £200. Where funds pass through the hands of the Park Owner he should settle any outstanding finance charges before promptly passing the funds to the Caravan Owner.

22.

The Caravan Owner must notify the Park Owner in writing of his intention to place the Caravan on the market for sale and notify the Park Owner in writing at least every month after then that the Caravan remains for sale. After receiving that notice the Park Owner may himself make an offer to buy the Caravan and the parties are free to negotiate the price between them. If they are not able to reach agreement the Park Owner may be able to assist the Caravan Owner by offering the Caravan for sale through his agency.

23.

A Caravan Owner who has not agreed to sell the Caravan to the Park Owner and who wishes to sell the Caravan to a buyer who intends to continue to station the Caravan on the Park must comply with the procedure set out below.

The procedure for the Caravan Owner to follow is:

He must conduct the sale transaction through the office of the Park Owner who shall receive all purchase moneys from the buyer and promptly account to the seller for the same, subject to discharging any finance outstanding on the Caravan.

He must permit the Park Owner to approve the prospective buyer by seeking suitable references and carrying out such enquiries as may be appropriate. This may involve the Park Owner requesting a meeting with the prospective buyer in person and carrying out checks with credit reference agencies and taking any other references as the Park Owner considers appropriate.

The Park Owner can advise on the price to be sought and will indicate the level of commission payment he will seek from a prospective purchaser. The Caravan Owner must pass this information on to any prospective purchasers.

In return the Park Owner:

Must not refuse to approve a prospective buyer or refuse to permit the sale to proceed except on reasonable grounds.

Where he has approved the buyer the Park Owner shall give him a new Licence Agreement the terms of which shall be at least as beneficial to the buyer as the Licence Agreement held by the previous Caravan Owner but which shall be for a fixed period equal to the amount of the Licence Period in the previous Licence Agreement which remains unexpired. A Park owner may at his absolute discretion offer an agreement for a longer period, but in that case he will be entitled to charge the buyer a sum for this in addition to the commission set out in paragraph 24. The buyer does not have to accept this offer. The payment may be subject to value added tax.

Where the Caravan Owner has told the Park Owner he intends to sell the Caravan to a third party (but not where the third party is a Family Member) the

Park Owner shall be entitled within two working days of being notified in writing, to buy the Caravan from the Caravan Owner for the same price, without the deduction of commission. The Park Owner may deduct from his purchase price only sums which may be lawfully due to him under the Licence Agreement and any sum required to settle outstanding finance.

24.

The buyer of the Caravan shall on being given the new Licence Agreement pay the Park Owner a commission. The commission shall be at the discretion of the Park Owner who shall however not be entitled to charge more than 15% of the Fair Market Value of the Caravan unless the buyer is a Family Member of the Caravan Owner. In the case of a Family Member the buyer shall pay the Park Owner commission on the basis of up to 15% of the price actually paid on resale. The commission may be subject to Value Added Tax. No other charges to the buyer or seller will be made unless additional rights or services are agreed between the parties.

Substantial Changes in Arrangements on a Park

25.

The Park Owner is entitled to make substantial changes to the Park or the way it is managed or run because he wishes to develop or improve the Park or its facilities in the normal course of developing his business. This may, by way of example, include development of new facilities and amenities, provision of new services and environmental improvements and often occurs where a park has recently changed ownership. In general improvements of this sort are in the interests of both the Park Owner and the Caravan Owner. Where such changes require the amendment of the Licence Agreement, the Caravan Owner shall not withhold his approval to amendments suggested by the Park Owner except on reasonable grounds.

26.

A Licence Agreement shall not subsequently be amended unilaterally and shall be binding on successors in title to the Park Owner. New terms and conditions shall not be introduced which represent a fundamental change to previous arrangements. Examples of actions which would amount to breach of this paragraph are:

Requiring a Caravan Owner to enter into a lease in place of the Licence Agreement.

Introducing a new requirement that the Caravan Owner should hire his Caravan where this had not been a requirement before.

Changing the basis on which hiring is carried out by, for example, requiring it to be done through the exclusive agency of the Park Owner.

Introducing provisions which discriminate unreasonably between one Caravan Owner on the Park and another.

Terms of Licence Agreements

27.

A Licence Agreement issued in accordance with the Code shall include, as a minimum, the following:

The names of the parties.

The Caravan Owner's permanent residing address and an address to which communications from the Park Owner to the Caravan Owner are to be delivered.

Details of the Caravan to which the Licence Agreement applies including the date of First Purchase.

The date the Licence Agreement shall start, the length of time it shall run and how it can be renewed.

The times of the year the Park is open.

The amount of the annual pitch fee, when it is to be paid, how it is to be reviewed and whether or not it includes winter storage.

What charges are included (eg rates, water) in the annual fee.

What other charges are made (eg hiring agency, supervisory services, club membership, entry to swimming pool, gas supplies etc) specifying those that are obligatory.

Any requirement for insuring the Caravan including, where applicable, insuring through the Park Owner.

The terms for either party ending the Licence Agreement, including rebate arrangements for any repayment.

The terms for selling the Caravan and issuing a new Licence Agreement to the buyer.

Whether Hiring the Caravan is forbidden, permitted or obligatory, whether or not Hiring has to be done through the Park Owner and what charges are to be made for this service when provided.

What services are available to the pitch.

The responsibility of the Park Owner to provide and maintain services (stating which services).

The responsibility of the Caravan Owner to observe site licence conditions and Park Rules and to maintain the Caravan and its equipment in good condition.

A statement that any restriction the Park Owner places upon the age at which the Caravan may be resold on the Park shall bind the Park Owner as well as the Caravan Owner and details of what the age restriction is.

The basis of any disconnection fees the Park Owner may charge to allow removal of the Caravan from the Park.

Details for the notification of amendment to the Park Rules.

Independent non-exclusive arrangements for disputes to be subject to arbitration (subject to limits on the pecuniary value of the matter in dispute).

A signature box incorporating the following statement: 'This is a legally binding agreement which you should sign only if you are satisfied with its terms and conditions. You should understand that the purchase price of the caravan and any resale value are subject to a variety of factors and resale value may improve or reduce over time.'

Complaints Procedure

28.

When a Park Owner receives a complaint he must take immediate notice of it and take action to achieve a mutually acceptable settlement. Caravan manufacturers and dealers who are members of the National Caravan Council will similarly use every endeavour to assist in the settlement of complaints about their products or services. In the event of a complaint the status quo should be maintained unless there is undue delay occasioned by either party.

Park Owners must advise a complainant of the conciliation processes offered by the trade associations and the independent arbitration services available. A Caravan Owner may at any time seek guidance in settling complaints from their local Trading Standards Department, Citizens Advice Bureaux and Consumer Advice Centres.

STEP ONE

A person with a complaint should, in the first instance, take the matter up direct with the Park Owner.

STEP TWO

A Caravan Owner who is still dissatisfied may refer the matter for conciliation to the Park Owner's Trade Association. Applications for conciliation should be referred to:

The Director General
British Holiday & Home Parks Association
6 Pullman Court
Great Western Road
Gloucester GL1 3ND
The Director General
National Caravan Council
Catherine House
Victoria Road
Aldershot
Hampshire GU11 1SS

And the Trade Association will take steps to conciliate within one month of the matter being referred to them.

STEP THREE

If the complaint is still not resolved either party may approach the Director General of the relevant Trade Association who shall advise him on how he may apply for independent arbitration within the two special schemes operated by The Chartered Institute of Arbitrators. Caravan owners can choose whether or not to use these schemes. If they decide to use them the Park owner is obliged to agree to use them. Once the matter has been decided by the arbitrator it is not normally possible to start again with proceedings in Court. Similarly, once Court proceedings have started it will not be possible to use arbitration unless both parties agree to do so.

Application to seek resolution of the problem through the Arbitration schemes must be made within two months of receiving the advice from the Director General. The arrangements are:

In the event of a complaint arising from the level of increase in pitch fees the parties may seek resolution of the complaint under a special Holiday Caravan Pitch Fee Arbitration Scheme.

Any other complaint will be referred to a special simplified Holiday Caravan Arbitration Scheme. Under this scheme arbitrations will normally be on the basis of documents only. This is a relatively low cost scheme. In either case the Institute will appoint an independent arbitrator/arbiter. Under the provisions of the Arbitration Acts 1950 to 1996 and other relevant statutes unless otherwise agreed any award of the arbitrator/arbiter is binding on all parties and enforceable through the courts.

The Institute charges fees on the application for arbitration but these may be refundable to the successful party in some circumstances.

A copy of the arbitration arrangements can be obtained from the Trade Associations or direct from the Chartered Institute of Arbitrators, 24 Angel Gate, City Road, London EC1V 2RS.

Monitoring

29.

Both the Trade Associations will analyse all complaints against members arising from the Code or associated matters referred to the Trade Associations for conciliation or arbitration in a form laid down by the OFT. The results of such analyses will be provided annually to the OFT together with observations on the operation of the Code. The OFT will be invited to send observers to any meetings of the Associations at which disciplinary action against Park owners for potential breaches of this Code is considered.