

Pyramid selling and Brexit

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With holidays now being sold through a variety of different methods, homeworking is a real possibility for some and understanding the difference between multi-level marketing schemes (MLMs) and pyramid selling schemes (PSSs) could help you to decide who you team up with when selling holidays. Online Organisers and Agents may well be introducing these ideas.

An MLM works like this: As well as selling their own holidays, they recruit other people to be in their team (the homeworkers) and make money from the holidays they sell.

The homeworkers could also, theoretically, do the same thing (i.e. recruit others to sell the holidays), so they will make money from those they recruit, and the company makes money from everyone in the chain below them. MLMs are legal and you can even receive commission for recruiting people into your team.

So, it is not illegal to recruit other people into the scheme, and it is not illegal to receive money for recruiting other people into the scheme; what makes it illegal is when you receive more money from recruiting people than from the sale of the holidays. Pyramid Selling Schemes work on the basis that there is no product to sell, and participants receive money solely by recruiting other people into the scheme. This practice is illegal.

The impact of Brexit

The UK's exit from the EU could have a drastic effect on consumers travel around Europe. Some key threats for your consumers lie in the following areas:

Green cards

If the UK is no longer part of the free circulation area you will need to obtain a green card if you are taking your vehicle with you when travelling around Europe. A green card proves you have the necessary motor insurance. This includes motorists travelling between Northern Ireland and the Republic of Ireland. You may be fined or required to buy additional insurance if you do not travel with a green card. Your motor insurance provider should provide you with a green card free of charge.

Travel insurance and the EHIC

If you are planning on travelling to Europe after Brexit, check the terms of your travel insurance policy documents before you go to ensure you understand what you are covered for. The validity of your European Health Insurance Card (EHIC) will be challenged and it appears, as usual, the best advice is to contact your provider.

Passports

You may need to renew your British passport earlier if you're travelling after the 31st December 2020. You may have to:

have at least six months left;

be less than 10 years old (even if it has six months or more left).

If you do not renew it, you may not be able to travel to most EU countries and Iceland, Liechtenstein, Norway and Switzerland. You can use an online tool to check whether your passport is valid for the country you're visiting: <https://www.gov.uk/visit-europe-1-january-2021>

Data roaming

Charges for making calls abroad have been a problem for mobile phone users since the devices were invented. These so-called roaming charges were often very expensive but an EU initiative changing telecoms rules meant they were abolished and consumers could effectively 'roam like at home'.

Such provisions have become very important for UK holidaymakers. The Government has set an ambitious target of 'no less protection' for consumers as the UK leaves the EU. Nevertheless, the ambition to leave the EU digital single market and questions over regulations requiring reciprocal agreement with the remaining EU 27 member states seem to provide significant barriers in reaching that goal. It remains unclear whether the current charging regime can be retained.

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