Why You Shouldnâ??t Be Buying That Gym / Salon / Spa / Wellness Package

Description



Source: [California Fitness Singapore Facebook page]

When information about the gym being in financial troubles leaked out in April, suggesting that the gym would close in June, California Fitness Singapore claimed that it was completely untrue and that they were â??ABSOLUTELY still in businessâ?•.

â??Weâ??re one of Singaporeâ??s largest and oldest gyms, and have been operating since 1998. Thereâ??s no way we will close down!â?•

Did the staff really had no clue, or were they just trying to get more money from as many consumers as they could before the closure? [They were still selling packages in April after this â??rumourâ?• broke.]



A few of my friends have been affected by the closure, as they are also victims from having signed thousand-dollar packages which they cannot get a refund for now. It makes me so mad that companies (and their salespeople) prey on consumersâ?? insecurities for their own profits, including my poor friend.

Do you really think the gym salesperson truly cares about your health and well-being?
That he/she really cares whether you lose weight or get back in shape?

NO. What they really care about when theyâ??re trying to sell you a package is just how much commission they stand to make from the sale.

â??Butâ?¦they were really sincere! They even told me about their own personal weight-loss story and how they believe everyone deserves to look good. They even shared how they managed to tone up thanks to the gym instructors and thatâ??s why they joined â?? because they were so convinced by the results!â?•

Oh pleaseeeee. See it for yourself here: some of California Fitnessâ?? gym trainers earn over S$17,000 a month from commissions. Is it ethical to ask someone to pay 2 months worth of their salary just for a gym package? California Fitness did just that when they sold Ms. Esther Lim a $4000 package .

default watermark

Why You Wonâ??t Be Able To Get A Refund

When fitness centres / salons sell you a gym / slimming / spa / facial / nail package, they usually cost a good amount of money, often even up to a few thousand dollars.

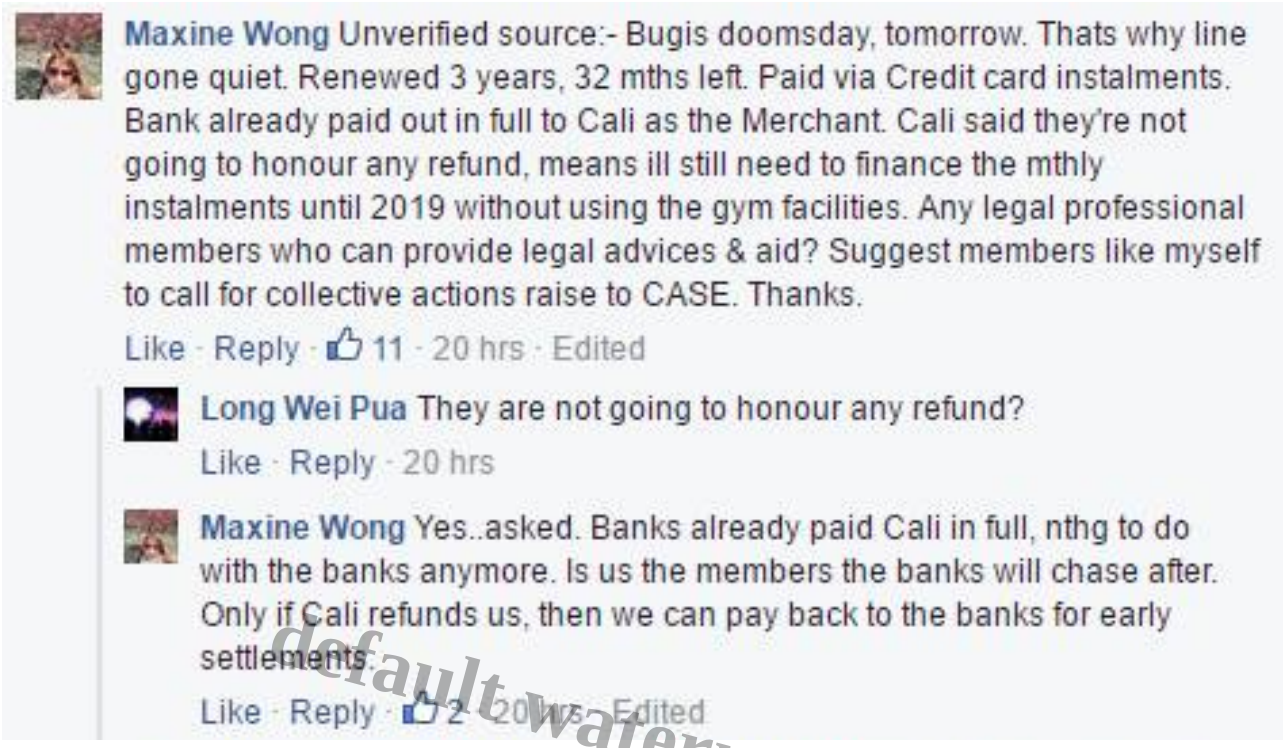
Most consumers are not able to pay off such a large sum at a single shot, so these companies usually team up with the banks to offer interest-free loans that enable you to pay in monthly instalments.

â??If I no longer want to patronise them or if they shut down, I can simply terminate monthly instalments so they donâ??t get any more money!â??

Unfortunately, that is a huge misconception. What really happens is that when you sign the package, your bank pays the merchant the entire sum in full, which they collect back from you over 12 â?? 24 months by monthly instalments until youâ??ve paid off everything.

What that means is that you canâ??t simply terminate the payments â?? even if the gym shuts down, you still have to pay the remaining monthly instalments.

I didnâ??t realise so many people are in the dark about how these payments work, until I read the comments on Facebook.



default watermark

In the case of any company being shut down, even if all its assets and cash are liquidated, the priority goes to paying off its debts and employee wages before they tackle any refunds.

I learnt this from first-hand experience when my first employer folded (you can read about the epic story here) and I was seeking legal counsel for what actions I could take. Back then, the company had closed down and left many employees in limbo, with wages unpaid, as well as many unpaid reimbursements owed to other suppliers and third-parties. My lawyer then informed me that even if the company was fully liquidated, the money would first be used to pay off their debt, followed by employee wages, before any refunds were even considered. By that point, most companies would usually have nothing left, so refunds are as rare as unicorns.

Once a company goes into liquidation, you canâ??t sue them either. There really is hardly anything else you can do.

How much did consumers of California Fitness lose?

Thousands. I pity those who signed packages in April the most, as they barely got a chance to utilise the gym before its closure.

A few years ago, when I was considering whether to join a gym in order to keep fit, salespeople at California Fitness, Amore Fitness and True Fitness all tried to sell me packages that were between $800 â?? $4000 each. Many even tried to throw in discounts or freebies such as free personal training sessions, but thankfully, I turned all of them down. Till today, I continue to receive cold calls from True Fitness offering me a â??free one week passâ?• and trying to get me down to their nearest outlet (I presume, so that they can try to convert me into a paid customer).

So when I read the following line in The Straits Times news article, I literally laughed out loud.

> â??Some fitness clubs are trying to help affected members. True Fitness is extending a discounted sign-up rate to California Fitness members and a one-month free trial.â?•

Are they reallllllly trying to help out, or are they just being opportunistic?

You decide.

HomeTeamNS, on the other hand, is offering SIX MONTHS of free access to their gyms to members affected by California Fitnessâ?? closure. If you really want a gym package, I suggest signing up with them as their rates are much more affordable (as low as $50 for 10 years!) or simply use your ActiveSG credits at our public gyms. Bet you didnâ??t know that the government gave you $100 of credits free. Click here to find out how you can use it.



One of the most affordable gyms in Singapore!

The limelight is on fitness chains now, but the same principles apply to the spa industry, nail salons, beauty and slimming salons, etc.

I used to sign up for dance packages of 10-classes each time, but on most instances, never got to finish using them before the expiry date. Ever since, I prefer to pay on the spot for classes that I attend, even though it can cost slightly more than if I take up a package instead.

If you really have to, I always advocate using a pay-per-use model. At least that way, you protect yourselves from landing up in a situation like this.

Remember, if you donâ??t protect your own hard-earned money, no one else will.

With love,
Budget Babe

Category

1. Family