

The complaint

Mr A complains that Nationwide Building Society did not meet his claim under section 75 of the Consumer Credit Act 1974 ("section 75"). The claim arose from an agreement to relinquish a timeshare.

Mr A has been represented in bringing this complaint by a representative. Where I refer to Mr A's submissions, I therefore include those made on his behalf.

What happened

Since around 2010 Mr A has been a member of a holiday club operated by a company which I'll refer to as "M".

Mr A decided that he no longer wanted to maintain his membership and so, in January 2020, he says he entered into an agreement with M which would enable him to surrender his and his wife's membership.

Mr A made an initial payment of £1,300 using his Nationwide credit card, followed by four monthly payments of over £300. When he stopped the payments, the holiday club took a further monthly payment from Mr and Mrs A's joint account with Nationwide, using the details it already held on its records.

In the summer of 2024 Mr A contacted Nationwide. He said that the holiday club was in breach of the agreement he had made in January 2020 and that he therefore had a claim against Nationwide under section 75.

Nationwide asked Mr A to provide further information and supporting documents. In particular, it wanted to see details of the contract under which the surrender of the holiday club membership had been agreed. Without that information, Nationwide said it could not agree to meet Mr A's claim.

Mr A referred the matter to this service. Our investigator indicated that she thought Nationwide's response was reasonable. And she invited Mr A to provide further evidence to support his claim. Mr A did not provide any fresh evidence, but asked that an ombudsman review the case.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

One effect of section 75 is that, subject to certain conditions, an individual who uses a credit card to pay for goods or services and who has a claim for breach of contract or misrepresentation against the supplier of those goods or services has a like claim against the credit card provider.

I am satisfied that the necessary links for section 75 to apply were present in this case. Whilst the initial payment of £1,300 was made, according to Mr A's credit card statement, to a business with the initials "LB", subsequent payments refer to "LD".

LD is the signatory to a letter dated 27 January 2020 addressed to Mr and Mrs A, which appears to record the surrender agreement. It says:

Please accept this letter as a written confirmation. that subject to the completion VIP Week you will be able to surrender your [Club] points in 5 years from the date of this letter, at no additional cost.

To request the surrender. please contact our Customer service department by telephone [numbers] or email [email address].

Please note the acceptance of the surrender is subject to the payment of the annual fees for a minimum of 5 (five) years on your membership/ownership and no fees can be outstanding at the time of the surrender.

Please note that all other Purchase Agreement Particular Conditions remain the same.

For any further information please do not hesitate in contacting us.

Mr A has also provided: a copy of a document of the same date, confirming the purchase of a holiday VIP week; the club's terms and conditions; a form of transfer in respect of Mr and Mrs A's existing club points; and a document relating to the deferred payment plan.

On the face of it, therefore, Mr A's agreement was that, in return for making the payments set out in the payment plan, he would receive a VIP week and be able to surrender his membership of the holiday club (represented by club points) after five years. He has however provided no evidence to show that LD is in breach of that agreement, or that he has made all the payments needed. And he made his claim under section 75 some time before the surrender was due to take place.

Indeed, even Mr A's own account of events does not support his claim. He says that he and his wife changed their minds about the agreement and that they did not realise it could not be cancelled. The document confirming details of the VIP week says however that the agreement is not a timeshare purchase and is not cancellable or refundable. A consumer would generally be able to cancel a timeshare or holiday club purchase under The Timeshare, Holiday Products, Resale and Exchange Contracts Regulations 2010, but Mr A appears in this case to have bought a week's holiday, which is not covered by those regulations.

In the circumstances, I think that Nationwide's decision to decline Mr A's claim under section 75 was a reasonable one.

It is not for me to say whether Mr A does in fact have a claim against the holiday club or LD. Nor is it for me to decide whether he has a claim against Nationwide under section 75. What I must do is decide what I consider to be a fair resolution of Mr B's complaint about Nationwide's decision to decline his claim. In the circumstances, however, I think Nationwide's decision was fair.

My final decision

For these reasons, my final decision is that I do not uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 April 2025.

Mike Ingram
Ombudsman