

The complaint

Mr B says Mitsubishi HC Capital UK PLC (Mitsubishi), trading as Novuna Personal Finance, has unfairly declined a claim he made under section 75 of the Consumer Credit Act 1974 ('CCA).

What happened

In December 2013, Mr B purchased a timeshare membership from a timeshare provider (the 'Supplier'). The membership was asset backed – which meant it included a share of the net sale proceeds of a property named on the purchase agreement (the 'Allocated Property') after the membership term ended. It cost £13,993. However, Mr B received a 'trade-in' value of £2,199 for his existing timeshare membership. Mr B borrowed £11,794 from Mitsubishi to pay the balance. The loan was repaid in full in August 2014.

In August 2023, Mr B used a professional representative ('PR') to complain about the purchase and the related loan. Specifically, the complaint letter said:

- The Supplier told Mr B the Fractional Unit would be an investment for his future and that it would increase in value, which was a gross misrepresentation.
- The Supplier rushed him through the paperwork and told him where to sign.

Mr B says this led to an unfair relationship for the purposes of section 140A of the CCA, specifically relying on *R (on the application of Shawbrook Bank Ltd) v Financial Ombudsman Service Ltd* [2023] EWHC 1069 (Admin) ('*Shawbrook v Financial Ombudsman Service*').

Mitsubishi responded to Mr B's complaint in May 2024. It said Mr B had waited too long to make a complaint under section 140A as he'd repaid the loan more than six years ago. It also considered a claim under section 75 of the CCA, which says, in certain circumstances, that a finance provider is legally answerable for any misrepresentation or breach of contract by the supplier. However, Mitsubishi said a claim under section 75 would also be too late.

Mr B's PR referred the complaint to our service. One of our investigators considered the complaint. They didn't think it was unfair for Mitsubishi to rely on the Limitation Act 1980 ('LA') to decline a claim under section 75 of the CCA. And they didn't think this service could consider a complaint under section 140A of the CCA because it had been made more than six years after the loan was repaid.

Mr B's PR has asked for a final decision from an ombudsman. This decision will deal solely with Mr B's complaint that Mitsubishi unfairly declined the claim he made under section 75 of the CCA. I have considered the rest of Mr B's complaint in a separate decision.

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.

Section 75(1) of the CCA protects consumers who buy goods and services on credit. It says, in certain circumstances, that the finance provider is legally answerable for any misrepresentation or breach of contract by the supplier.

However, Mitsubishi says it's too late for Mr B to make a claim for misrepresentation. It's specifically referred to the LA, which essentially says Mr B had six years from the date on which the cause of action accrued' to make his claim, after which Mitsubishi has a complete defence.

I wouldn't normally think it was unfair for a respondent firm to rely on the LA to decline a claim that's been made outside the limitation period, and I don't think it's unfair in this instance.

The date on which the cause of action accrued is, in this case, the date of sale. It was then that Mr B entered into an agreement based, he says, on the Supplier's misrepresentations. As the loan from Mitsubishi was used to finance the purchase, it was also then that he suffered a loss. It follows that Mr B had six years from the date of sale to make a claim for misrepresentation. But he didn't make his claim until August 2023, which is outside the time limits set by the LA.

Mr B's PR says section 14A of the LA gives Mr B more time to make his claim. I disagree. Section 14A provides claimants with a 'special time limit for negligence actions where the facts relevant to [the] cause of action are not known at the date of accrual'. However, in *Thomas v Taylor Wimpey Developments* [2019] EWHC 1134 (TCC), the court confirmed that claims under section 2(1) of the Misrepresentation Act 1967 are not claims of negligence, and section 14A of the LA doesn't apply to them. And, based on the PR's brief submissions, I don't see how section 14A could otherwise extend the time limit for Mr B.

My final decision

For the reason given, I don't think it was unfair for Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance, to decline Mr B's claim under section 75 of the CCA. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 November 2025.

Simon Dibble
Ombudsman