

The complaint

Mrs H says that Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance, unfairly declined claims she made under section 75 of the Consumer Credit Act 1974 ('CCA').

What happened

In August 2012, Mrs H together with her husband, 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 £11,400. Mrs H borrowed £11,400 from Mitsubishi in her sole name to pay for the timeshare. The loan was repaid in full in October 2013.

In June 2025, Mrs H complained about the purchase and the related loan to Mitsubishi. In summary, the complaint letter said:

- The relationship arising from the loan was unfair under section 140A of the CCA.
- The timeshare had been misrepresented as an investment at the point of sale.
- There had been a lack of due diligence and it hadn't been confirmed that the loan was suitable for her.
- The sales presentation had been high pressure. As a result, she had suffered a loss and Mitsubishi was responsible for the lending.
- She had ceased paying maintenance fees around 2016 due to financial hardship and mounting maintenance fees that hadn't been properly explained.
- She had used the membership briefly but found it increasingly restrictive, unaffordable and misrepresented.

Mrs H said this all led to an unfair relationship for the purposes of section 140A of the CCA. Mitsubishi responded to Mrs H's complaint in July 2025. It said it understood Mrs H had raised a complaint under sections 75 and 140A of the CCA. It went on to say that Mrs H had waited too long to make a complaint and therefore the complaint hadn't been made in time.

Mrs H referred the complaint to our service. Mrs H then provided further information about her concerns and when she became aware of her cause for complaint. She explained that it was only in November 2022 with the collapse of the Supplier, and widespread legal and media coverage, that she became aware of cause for complaint.

One of our investigators considered the complaint. They explained why 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. And they also explained that whilst Mrs H's concerns regarding misrepresentation had been made in time, it wouldn't be fair or reasonable to uphold the complaint for reasons relating to her section 75 claim, if it wouldn't be fair to expect a creditor to look into such a claim so long after the liability arose, and after a limitation defence (under the Limitation Act 1980 (the 'LA')) would be available in court.

There were further exchanges of correspondence between Mrs H and the investigator. And she submitted that there had also been a breach of contract in respect of section 75 of the CCA, when the Supplier collapsed in 2022/2023. Mitsubishi consented to that aspect of the complaint also being considered, and the investigator went on to explain why they thought a breach of contract claim pursuant to section 75 of the CCA wouldn't succeed.

Mrs H has asked for a final decision from an ombudsman. This decision deals solely with Mrs H's complaint pursuant to section 75 of the CCA.

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 of the CCA: the Supplier's misrepresentations at the Time of Sale

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 Mrs H to make a claim for misrepresentation. It's specifically referred to the LA, which essentially says Mrs H had six years from the date on which the cause of action accrued' to make her claim, after which Mitsubishi has a complete defence to the claim.

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 and Mrs H entered into an agreement based, she says, on the Supplier's misrepresentations. As the loan from Mitsubishi was used to finance the purchase, it was also then that she suffered a loss. It follows that Mrs H had six years from the date of sale to make a claim for misrepresentation. But she didn't make her claim until June 2025, which is outside the time limits set by the LA.

As for the suggestion from Mrs H that she would only have become aware of cause for complaint after November 2022 with the collapse of the Supplier, and widespread legal and media coverage, I can't see how this can be true, as her claim predates this judgment. So, I don't agree that the limitation period only started from this point in time.

Section 75 of the CCA: the Supplier's Breach of Contract

Mitsubishi has consented to Mrs H's concerns about a breach of contract also being considered. So, for completeness I've also thought about this.

The LA also applies to claims for breach of contract, with the relevant limitation period normally expiring six years after the date of the breach or breaches in question. Mrs H has, in essence, raised concerns that the Supplier was in breach of the Purchase Agreement because it collapsed in 2022. But she has said she surrendered her membership and ceased paying maintenance fees in 2016, which is approximately six years prior to the breach of contract she complains about. And the rules that applied to her timeshare membership set out that if any arrears of management charges aren't discharged in full

within any relevant notice period, the owner's fractional rights will be cancelled. And after five years, any reinstatement would be at the Manager's discretion. So, I don't believe there could have been a breach of contract, as her membership was suspended and cancelled at the time of the alleged breach in 2022.

My final decision

For the reasons given, I don't think it was unfair for Mitsubishi HC Capital UK PLC, trading as Novuna Personal Finance, to decline Mrs H's claims under section 75 of the CCA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 17 December 2025.

Simon Dibble
Ombudsman