

The complaint

Mr D's complaint is, in essence, that Shawbrook Bank Limited (the 'Lender') acted unfairly and unreasonably by (1) being party to an unfair credit relationships with him under Section 140A of the Consumer Credit Act 1974 (as amended) (the 'CCA') and (2) deciding against paying his claims under Section 75 of the CCA.

What happened

Mr D purchased a membership of a timeshare from a timeshare provider (the 'Supplier') on 12 November 2006 (the 'Time of Sale') and then upgraded his timeshare again on 23 April 2007 (the 'upgrade'). In both purchases he entered into agreements with the Supplier to buy at a cost of £28,711 and £33,758 respectively (the 'Purchase Agreements') for weeks at specific properties (the 'Properties') named on his purchase agreements.

Mr D paid for this first membership by trading in trial timeshare membership (valued at £5,000) and taking finance of £23,711 from a previous lender (the 'Previous Lender'-not Shawbrook). In the Upgrade sale he traded in his timeshare valued at £28,012 and refinanced his borrowing with the previous lender by taking borrowing of £30,856.97 from the Previous Lender (the 'Credit Agreements').

In July 2016 Mr D's loan was transferred from the Previous Lender to the Lender here. The lending was settled in August 2022.

Mr D – using a professional representative (the 'PR') – wrote to the Lender (dated 11 May 2020) and said that Mr D had lost out and wished to make a claim under S140 CCA and under S75 of the CCA against the Lender.

On 23 June 2020, the Previous Lender issued their final response letter on the matter saying the borrowing had been transferred to the Lender. So, Mr D brought him complaint to this service. The Lender has then pointed to time limits as to why this complaint should not be upheld against it.

On 25 April 2024 Mr D's complaint was assessed by an Investigator who, having considered the information on file, decided that Mr D's S140 claim on the 2006 sale wasn't in this service's jurisdiction. The Investigator also thought the S140 claim on the 2007 shouldn't be upheld. And the Investigator thought both S75 claims on the sale were fairly declined under the Limitation Act 1980 by the Lender.

The PR on behalf of Mr D asked for an Ombudsman's decision – which is why it was passed to me.

I issued my provisional findings to the parties on 15 September 2025. In my provisional decision one of my conclusions was that the complaint about the S140A claim regarding the 2006 sale was outside of this service's jurisdiction. I then issued a jurisdiction decision dated 30 October 2025 concluding that it was out of jurisdiction.

Also in my provisional decision dated 15 September 2025 I said (in italics and smaller font for clarity):

Firstly I should make clear that in terms of the regulatory context that applies in these sales, as the sales were in 2006 and 2007, neither The Timeshare, Holiday Products, Resale and Exchange Contracts Regulations 2010 (the 'Timeshare Regulations'), or the Consumer Protection from Unfair Trading Regulations 2008 (CPUT's) nor the Resort Development Organisation's Code of Conduct dated 1 January 2010 (the 'RDO Code') apply to these purchases as the sales predate these coming into force.

It is also the case that it was only from 06 April 2008 onwards that the £25,000 limit to claims was removed from the Consumer Credit Act 1974 by the Consumer Credit Act 2006 Section 2.1.b. Both loans were over £25,000 and therefore can only be considered from the perspective of a complaint about a Section 140A claim response.

I should also add that neither timeshare product in the 2006 sale nor the 2007 sale had any investment element to them. So any arguments raised by the PR that these purchases contravened the regulation and code that I refer to above are unpersuasive for these reasons...

The 2006 sale -The S75 claim

Within the letter of claim the PR also made a claim on Mr D's behalf under S75 of the CCA. These include allegations of misrepresentation during the sales process and submissions in support of those allegations. This membership was purchased on 12 November 2006 by Mr D and the Lender in its response to this service points to time limits being applicable.

The CCA introduced a regime of connected lender liability under section 75 that affords consumers ("debtors") a right of recourse against lenders that provide the finance for the acquisition of goods or services from third-party merchants ("suppliers") in the event that there is an actionable misrepresentation and/or breach of contract by the supplier. In short, a claim against The Lender under section 75 essentially mirrors the claim Mr D could make against the Supplier.

Under section 9 of the Limitation Act 1980, Mr D had to make any claim within six years of when such misrepresentations are said to have happened or when alleged breaches of contract occurred because those are the points from which the limitation period would have started. And as this particular membership ended in 2007 (when it was upgraded) and he didn't make his S75 claim until 2020 it is clear to me that the Lender could rely on the Limitation Act as a complete defence from such claims. Accordingly I'm not persuaded Mr D has lost out due to the Lender applying the Limitation Act in this case¹.

The 2006 sale -Lending

Complaints about the type of lending there was here wasn't within this service's jurisdiction when this lending decision was made as I've described. Accordingly I cannot consider it.

¹ It is possible that Mr D could make a s75 claim against the Previous Lender. However it is worth noting that it would also have available to it the defence of Limitation under the Limitation Act to any such S75 claim.

The 2007 sale-S140 claim

Having considered the entirety of the credit relationship between Mr D and the Lender along with all of the circumstances of the complaint, I don't think the credit relationship between them was likely to have been rendered unfair for the purposes of Section 140A. I should reiterate that at this time neither The Timeshare, Holiday Products, Resale and Exchange Contracts Regulations 2010 (the 'Timeshare Regulations'), the Consumer Protection from Unfair Trading Regulations 2008 nor the Resort Development Organisation's Code of Conduct dated 1 January 2010 (the 'RDO Code') apply as the sale predate these coming into force. Accordingly I'll not address the arguments the PR makes about these regulations and codes applying here as they clearly didn't.

Mr D and the PR give very little description of what happened at this point of sale nor explain how that's led to Mr D losing out. It is also important to remember that although the Lender has to treat claims to it fairly, there is a need for claims to be made out properly, as they would have to be as they would against the supplier directly. From what I've seen here I'm not persuaded that there are any actionable misrepresentations or breaches of contract here which would render the relationship unfair in the round.

The PR says there was one or more unfair contract terms in the Purchase Agreement and that makes the credit relationship unfair. However, the case law on Section 140A makes it clear that issues such as regulatory breaches do not automatically create unfairness for the purposes of that provision. Such breaches and their consequences (if there are any) must be considered in the round, rather than in a narrow or technical way. And in any case, I can't see that any such terms were operated unfairly against Mr D in practice, nor that any such terms led him to behave in a certain way to his detriment. And with that being the case, I'm not persuaded that any of the terms governing this timeshare membership are likely to have led to an unfairness that warrants a remedy.

The PR also says that Mr D was not given sufficient information at the Time of Sale by the Supplier about the ongoing costs of this membership. The PR also says that the contractual terms governing the ongoing costs of membership and the consequences of not meeting those costs were unfair contract terms.

As I have already indicated, the case law on Section 140A makes it clear that it does not automatically follow that regulatory breaches create unfairness for the purposes of the unfair relationship provisions. The extent to which such mistakes render a credit relationship unfair must also be determined according to their impact on the complainant.

I acknowledge that it is also possible that the Supplier did not give Mr D sufficient information, in good time, on the various charges they could have been subject to as timeshare members. But even if that was the case, I cannot see that the ongoing costs of membership were applied unfairly in practice. And as neither Mr D nor the PR have persuaded me that they would not have pressed ahead with their purchase had the finer details of the memberships ongoing costs been disclosed by the Supplier, I cannot see why any failings in that regard are likely to be material to the outcome of this complaint given its fact and circumstances. So in the round I'm not persuaded that Mr D has shown how the relationship was unfair and accordingly I'm not persuaded that the Lender has treated him unfairly by not paying his claim.

The 2007 sale -The S75 claim

To avoid repetition on this point I'll just state that for the same reasons as given regarding the earlier S75 claim, namely Limitation Act, I think the Lender has a complete defence here due to the timings of the sale and when Mr D made his claim.

The 2007 sale-lending

Complaints about the type of lending there was here wasn't within this service's jurisdiction when this lending decision was made as I've described. Accordingly I cannot consider it.

In summary, I wasn't minded to think that the Lender acted unfairly or unreasonably when it dealt with complaint about the outcomes of the respective claims.

At the time of my provisional decision I deferred my conclusions on the matter of commission disclosure in order to review that issue further. My Investigator wrote to the parties on 5 January 2026 to say (on my behalf) that as far as I could discover there was no evidence of any commission being paid and nor was there any requirement for the Lender to have this information anymore. He asked for the PR's comments on those findings by 21 January 2026. I wasn't persuaded this position could have led to an inequality of knowledge capable of rendering the credit relationship unfair to Mr D such that the Lender needed to take any action in redress.

On 21 January 2026 the PR responded to this service with other observations, albeit not addressing the issue of no evidence of commission and no requirement to still hold that information directly.

Responses to my provisional findings

The Lender accepted my provisional decision. The PR didn't accept the proposed outcome with regard to jurisdiction (I've since dealt with those arguments in my jurisdiction decision dated 30 October 2025). It has responded generally but not responded materially on the remaining issues as described above in my provisional decision. Having received and reviewed these submissions, I'm now proceeding with my final decision.

In doing so, I'm conscious that the PR has made a series of assertions surrounding the provision of information. These include, among other things, expressing doubt that the Lender has provided key information, requesting that the information we have received be shared with it in full, and asking that we do not proceed with a decision before this is done and it has had an opportunity to make further submissions. The PR's requests have been addressed by us under separate correspondence. For reasons I will explain in the course of this decision, I've concluded that it's appropriate for me to proceed with my determination.

The legal and regulatory context

The legal and regulatory context that I think is relevant to this complaint has been shared in several hundred published decisions on very similar complaints, as well as in previous correspondence with the parties. So there's no need for me to set this out again in detail here. I simply remind the parties that our rules¹ say that in considering what is fair and reasonable in all the circumstances of the complaint, I will take into account: relevant (i) law and regulations; (ii) regulators' rules, guidance and standards; and (iii) codes of practice; and (where appropriate), what I consider to have been good industry practice at the relevant times (which is an important factor in this case-the dates of the respective sales).

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.

After considering the case afresh and having regard for what's been said in response to my provisional decision and in the subsequent correspondence, I find it offers no persuasive reason to depart from the conclusions I've previously set out. I'll explain why.

The PR originally raised various points of complaint, such as those giving rise to Mr D's section 75 claim, which I addressed in my provisional decision. In its response, it hasn't

¹ Financial Conduct Authority ("FCA") Handbook – DISP 3.6.4R ("R" denotes a rule).

made any further comments in relation to most of its original points or said anything that leads me to think it disagrees with my provisional conclusions in relation to those points.

I particularly note that the PR has not engaged with the key aspects of Mr D's complaint, including the key issue of much of the law and regulation which the PR seeks to rely not applying due to when these timeshares were sold. Nor does it explain why in Mr D's specific circumstances it thinks that the Lender shouldn't have defences through limitation. Nor does it explain why in Mr D's specific circumstances the relevant financial limits in the CCA shouldn't apply.

In essence the PR doesn't engage with Mr D's specific circumstances at all to my mind, (which are not 'run of the mill' in terms of common timeshare complaints received at this service). Particularly it hasn't addressed the issues regarding any commission in Mr D's purchases as I've had explained to it. As I've seen no evidence of commission in Mr D's case and no persuasive reason to consider the Lender's position unfair so I've decided that I can't fairly say the Lender has treated Mr D unfairly.

Conclusion

After careful reconsideration of the facts and circumstances of this complaint, I adopt my provisional conclusions as part of my final decision. For the reasons I've given above and in my earlier correspondence I've mentioned, I don't think the Lender acted unfairly or unreasonably when it dealt with Mr D's section 75 claims. And I'm not persuaded that the Lender was party to a credit relationship with Mr D that was unfair to him for the purposes of section 140A of the CCA. Having taken everything into account, I see no other reason why it would be fair or reasonable for me to direct the Lender to compensate Mr D.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

My final decision

For the reasons set out I do not uphold this complaint. The Lender has nothing further to do with regard to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 March 2026.

Rod Glyn-Thomas
Ombudsman