

The complaint

Mr C complains that Shawbrook Bank Limited acted unfairly and unreasonably by deciding against paying a claim under Section 75 of the Consumer Credit Act 1974 (as amended) (the 'CCA').

Background to the complaint

Mr C was the member of a timeshare provider (the 'Supplier'), having purchased number of products from it previously. But the product at the centre of this complaint is his membership of a timeshare that I'll call the 'Fractional Club' – which he bought on 14 April 2013 (the 'Time of Sale').

Fractional Club membership was asset backed, meaning it gave Mr C more than just holiday rights. It also included a share in the net sale proceeds of a property named on his purchase agreement (the 'Allocated Property') when the membership came to an end.

To help pay for the membership, Mr C took out a loan of £11,798 with Shawbrook.

Through a professional representative ('PR1'), Mr C complained to Shawbrook on 14 February 2023 that the Supplier had misrepresented the Fractional Club membership in a number of ways, giving him a claim against Shawbrook under Section 75 of the CCA.

Mr C also complained that the credit relationship between him and Shawbrook was unfair to him under Section 140A of the CCA. But by way of a separate decision, I have explained that we are unable to consider that aspect of the complaint as it has been raised outside of the time limits within the rules that govern us.

Shawbrook dealt with Mr C's concerns as a complaint. It said, in short, that Mr C had raised his Section 75 claim outside of the six-year limit imposed by the Limitation Act 1980 and therefore found there to be no valid claim. So Mr C, now being assisted by a different professional representative ('PR2'), referred his complaint to us.

Our Investigator thought that the defence available to Shawbrook under the Limitation Act meant that it hadn't done anything wrong in declining Mr C's claim. So he didn't recommend that the complaint be upheld.

As Mr C didn't accept our Investigator's view, the matter was passed to me to decide.

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.

Having done so, I've reached the same conclusion as our Investigator and for much the same reasons. I'll explain why.

As both sides may already know, a claim against Shawbrook under Section 75 essentially mirrors the claim Mr C could make against the Supplier. Certain conditions must be met if this protection is engaged – which are set out in the CCA. Shawbrook does not dispute that the relevant conditions are met in this complaint, albeit I am not wholly persuaded they are – given the value of the transaction at issue. In any event, there are certain time limits that apply – and I think these mean Mr C’s claim would’ve been time-barred.

The Limitation Act 1980 sets out limitation periods, or time limits, for bringing various types of legal claim. For a claim based on contract, it’s not generally possible to start court action more than six years after the cause of action arose. If a claim is brought too late, the respondent is likely to have a complete defence to the claim on that basis.

For claims relating to misrepresentation, the time limit would typically be six years from the date the claimant suffers damage as a result of the misrepresentation. For example, entering into a contract – and incurring liabilities – when they would otherwise not have done.

Mr C’s claim under Section 75 is that but for the Supplier’s various alleged misrepresentations, he wouldn’t have purchased the Fractional Club membership (and, therefore, entered into the related loan with Shawbrook). So it is the date on which he entered into those agreements that his cause of action arose, meaning he had six years from that date within which to bring this claim.

Mr C purchased the membership on 14 April 2013. He raised his Section 75 claim on 14 February 2023 – more than six years later. So I think Shawbrook had a complete defence to the claim, having been raised outside of the six-year statutory limit.

That being the case, I don’t think Shawbrook acted unfairly or unreasonably in declining Mr C’s claim.

My final decision

For the reasons I’ve explained, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 12 January 2026.

Ben Jennings
Ombudsman