

The complaint

Mrs R 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

Mrs R purchased a membership from a timeshare provider ('the Supplier') on 28 July 2015. To help pay for the membership, she took out a loan of £4,964 with Shawbrook.

While Mrs R purchased the membership in joint names with her husband, the loan was taken in her own name only – and so it is only she who is eligible to refer a complaint about it to us. For ease I will refer to Mrs R throughout – even where she and Mr R may have been acting jointly, or the matter might otherwise refer to Mr R in some way.

Through a professional representative ('PR1'), Mrs R complained to Shawbrook on 10 October 2022 that that the Supplier had misrepresented the Fractional Club membership in a number of ways, giving her a claim against Shawbrook under Section 75 of the CCA.

Mrs R also complained that the credit relationship between her and Shawbrook was unfair to her 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 rejected Mrs R's complaint, saying, in short, that she had raised her Section 75 claim outside of the six-year limit imposed by the Limitation Act 1980 and there was therefore no valid claim.

So Mrs R, now being assisted by a different professional representative ('PR2'), referred her 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 Mrs R's claim, so she didn't recommend that the complaint be upheld.

As Mrs R 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 Mrs R 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, even though I'm not wholly persuaded that

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 Mrs R’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.

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

Mrs R purchased the membership on 28 July 2015. She raised her Section 75 claim on 10 October 2022 – 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 Mrs R’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 Mrs R to accept or reject my decision before 13 January 2026.

Ben Jennings
Ombudsman