

The complaint

Mr and Mrs E complain Shawbrook Bank Limited (the “Lender”) has failed to honour a claim under Section 75 of the Consumer Credit Act 1974 (the “CCA”) and has participated in an unfair credit relationship with them under Section 140A of the CCA.

Mr and Mrs E are represented in their complaint by a professional representative (“PR”).

What happened

I issued a provisional decision on this case on 31 October 2025, in which I set out the background to the complaint and my provisional findings on it. I will reproduce parts of the provisional decision within this final decision, but to summarise the background:

- Mr and Mrs E bought a timeshare from a timeshare provider (the “Supplier”) on 20 February 2014. The purchase cost £37,345, reduced to £8,212 after the trade-in of an existing timeshare. The balance was financed by a loan from the Lender of the same amount, arranged by and paid to the Supplier. The loan was settled in October 2015.
- Mr and Mrs E complained, via PR, to the Lender, in March 2023. They sought to find it responsible for the Supplier having mis-sold the timeshare and associated loan. The general grounds of complaint were:
 - That the Supplier had misrepresented the timeshare to them, giving them a claim against the Lender under Section 75 of the CCA.
 - That the Supplier was responsible for other improper acts or omissions which had rendered the credit relationship between Mr and Mrs E, and the Lender, unfair to them.
 - The Lender had failed to carry out the appropriate creditworthiness checks before lending to Mr and Mrs E.
 - The loan had been arranged by an unauthorised credit broker, making it unenforceable.

The Lender rejected the complaint, which was then referred to the Financial Ombudsman Service.

In my provisional decision, I arrived at the following set of conclusions:

1. *That Mr and Mrs E’s complaint that the credit relationship between them and the Lender was unfair to them, is not one the Financial Ombudsman Service has the jurisdiction to consider, because it has been brought too late.*
2. *That Mr and Mrs E’s complaint that the Lender didn’t carry out the checks it should have before lending to them, is not one the Financial Ombudsman Service has the*

jurisdiction to consider, because it has been brought too late.

3. *That Mr and Mrs E's complaint that the Credit Agreement was arranged by an unauthorised credit broker, is not one the Financial Ombudsman Service has the jurisdiction to consider, because it has been brought too late.*
4. *That the rest of the complaint was not brought too late, but the Lender's decision not to uphold it was not unfair or unreasonable.*

Regarding point 1, I explained that the effect of the rules of the Financial Ombudsman Service was:

"...that in order for me to be able to consider Mr and Mrs E's complaint, they need to have made their complaint within six years of the event which the complaint relates to or, if this gives them longer, within three years of when they became aware (or ought reasonably to have been aware) of their cause to complain, unless there are exceptional circumstances which prevented them from bringing their complaint earlier or the Lender has consented to the complaint being brought late (which it hasn't in this case)."

I noted that the complaint event for an unfair credit relationship was the end of the credit relationship, which in Mr and Mrs E's case had ended in October 2015. They had clearly brought their complaint more than six years after that. I went on to consider whether they had brought their complaint within the three-year limb of our rules, concluding they had not. I observed that the matters which could give rise to an unfair credit relationship were very broad, and that:

"Mr and Mrs E also don't need to have had actual, exact knowledge of their cause to complain to the Lender, to start the three-year clock running. They just need to have had constructive knowledge. What this means is that they need to have had sufficient information to be put on the path of discovering that the Lender had been responsible for something that had, or might have, gone wrong and caused them a loss. Bearing this in mind, to start the three-year clock, I think Mr and Mrs E should reasonably have been aware, or been put on the path to discovering, that:

1. *There was a problem with the lending or the timeshare.*
2. *The problem had caused them, or was causing them, a loss.*
3. *Someone else may have been responsible for this loss, through their actions or failure to act.*
4. *This someone else may have been the Lender.*

Having carefully read Mr and Mrs E's complaint, I think they were aware they had cause to complain to the Lender, or ought reasonably to have been aware, by 3 March 2020.

This is because Mr and Mrs E refer, in their July 2020 witness statement, to having met with representatives of either PR or potentially a lead generator or referrer to PR, on 3 March 2020. The witness statement, while it seems it took Mr and Mrs E some time to write, appears to have had its genesis at this meeting. It's apparent that the 3 March 2020 meeting was to discuss Mr and Mrs E's unhappiness with their timeshare purchases from the Supplier, and the witness statement which came out of it referred to various issues such as being pressured, not being told that the sale of the Allocated Property could be delayed, and a problem Mr and Mrs E had had on a holiday in 2019.

It's apparent therefore, that by latest 3 March 2020, Mr and Mrs E were already on the

path to discovering that the Lender, as the connected lender which had financed their timeshare purchase, may have borne some responsibility for the Supplier's alleged failings. They were already carrying out relevant enquiries. So the latest they could have made their complaint was 3 March 2023."

And so I concluded that Mr and Mrs E's complaint about the alleged unfair credit relationship had been brought too late for me to consider, unless there had been exceptional circumstances which had prevented them from complaining sooner. I noted that no exceptional circumstances had been suggested by PR in response to the assessment of our Investigator, concluding *"I'm currently of the view that Mr and Mrs E were not prevented from making their complaint in time as a result of exceptional circumstances."*

Regarding Mr and Mrs E's concerns about the Lender's affordability checks, and their loan having been arranged by an unauthorised credit broker, I concluded these had been made too late also, for essentially the same reasons:

"[Mr and Mrs E's] meeting on 3 March 2020 to discuss their concerns about their timeshare purchases must, I think, be considered to be the latest date at which they ought reasonably to have been aware they had cause to complain. Their complaint that the Lender had failed to carry out the appropriate checks, has its origins at that meeting. Mr and Mrs E were clearly already carrying out enquiries into any potential causes of complaint by that date. It follows that, because they made their complaint to the Lender more than six years from the date of the lending decision and more than three years from 3 March 2020, that this part of their complaint was made too late.

I take the same view of Mr and Mrs E's complaint about the Credit Agreement having been arranged by an unauthorised credit broker, and for the same reasons."

This left me only with the matter of Mr and Mrs E's Section 75 claim to consider. Having looked into that, I concluded the Lender had not acted unfairly or unreasonably by not honouring their claim. This was also for reasons relating to time. I said:

"Section 75 of the CCA gives a borrower who has paid for goods or services with certain kinds of credit (such as the loan with the Lender) the right to make a "like claim" against the creditor in respect of any breach of contract or misrepresentation by the supplier of those goods or services, so long as certain conditions are met.

As a general rule, I think it's reasonable for creditors to reject Section 75 claims that they are first informed about after the claim has become time-barred under the Limitation Act 1980 ("LA"), as it wouldn't be fair to expect creditors to look into such claims so long after the liability arose and after a limitation defence would have been available in court. So, it is relevant to consider whether Mr and Mrs E's Section 75 claim was time-barred under the LA before PR put the claim to the Lender on their behalf.

As I mentioned above, a claim under Section 75 is a "like claim". This means it mirrors the claim Mr and Mrs E could have made against the Supplier.

A claim for misrepresentation against the Supplier would ordinarily be made under Section 2(1) of the Misrepresentation Act 1967. And the limitation period to make such a claim expires six years from the date on which the cause of action accrued. A claim for breach of contract against the Supplier would also be subject to a limitation period of six years from the date on which the cause of action accrued.

Any claim against a lender under Section 75 is also “an action to recover any sum by virtue of any enactment” under Section 9 of the LA. Such claims also have a time limit of six years from the date the cause of action accrued.

In claims for misrepresentation, the cause of action accrues at the point a loss is incurred. In Mr and Mrs E’s case, that’s when they entered the agreement to purchase the timeshare, and the related Credit Agreement, on 20 February 2014. This would be mirrored in the claim against the Lender.

Mr and Mrs E first notified the Lender of their Section 75 claim in March 2023, more than six years after the cause of action accrued in relation to their claims for misrepresentation. So I don’t think it was unfair or unreasonable of the Lender to decline the part of the claim relating to the Supplier’s alleged misrepresentations.

PR has argued that the limitation period can be extended in cases of concealment or fraud, suggesting that the Supplier concealed from Mr and Mrs E that the Fractional Club membership was an investment, meaning they discovered this fact only later.

There are provisions within the LA to extend limitation periods in such circumstances, however PR’s arguments on this point focus on the Section 140A part of the complaint, and this part of the complaint falls outside our jurisdiction for the reasons I explained earlier, which are unrelated to the provisions of the LA. And I don’t think PR’s arguments assist the claim in relation to misrepresentation, because the concealment of the product being an investment is inconsistent with PR’s allegation that the Supplier falsely told Mr and Mrs E, at the Time of Sale, that the product was an investment.”

I asked the parties to the complaint to let me have any further submissions they wanted me to consider, before I made my decision final. The Lender said it accepted the provisional decision. PR, on behalf of Mr and Mrs E, did not reply.

The case has been returned to me to review once more.

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.

Because neither party to the complaint has provided any new evidence, arguments or other submissions for me to consider, and having reviewed the file again, I see no reason to depart from the findings I reached in my provisional decision as explained above, which I have made for the same reasons.

It follows that I’ve not considered the majority of Mr and Mrs E’s complaint due to it having been made too late, and that I do not think the Lender acted unfairly or unreasonably in declining their Section 75 claim, as the Lender had a complete defence to that claim due to the provisions of the Limitation Act 1980.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mrs E to accept or reject my decision before 7 January 2026.

Will Culley
Ombudsman