

The complaint

Mr and Mrs M complain that Shawbrook Bank Limited acted unfairly and unreasonably by deciding against paying claims under Section 75 of the CCA.

Background to the complaint

Mr and Mrs M purchased three timeshare membership products from a timeshare provider ('the Supplier') through 2014 and 2015. Two of those are relevant to this complaint, being membership of a "Fractional Owners Club" purchased on 16 July 2014 and 22 October 2014.

Fractional Owners Club membership was asset backed, meaning it gave Mr and Mrs M more than just holiday rights. It also included a share in the net sale proceeds of a property named on each of their purchase agreements when their membership came to an end.

Each of Mr and Mrs M's purchases was funded, at least in part, by a loan taken out with Shawbrook. Mr and Mrs M borrowed £6,080 when purchasing the first membership. They took out a second loan to buy the second, borrowing £13,500. Each of the loans was entered into on the day of the corresponding purchase, and they were both settled in July 2015.

Through a professional representative ('PR'), Mr and Mrs M complain that the Supplier misrepresented Fractional Owners Club membership to them in several ways, giving them a claim against Shawbrook under Section 75 of the CCA in respect of each of the memberships.

Mr and Mrs M also complained that each of the credit relationships between them and Shawbrook was unfair to them 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 declined to consider Mr and Mrs M's complaint as it said it had been raised too late. As more than six years have passed since both the purchases in question and the repayment of the related loan accounts, it said claims under Section 75 were time-barred under the Limitations Act 1980.

Our Investigator thought that we had the power to consider the complaint insofar as it related to the claims under Section 75, but that it should not be upheld as the defence available to Shawbrook under the Limitation Act meant that it hadn't done anything wrong in declining the claims. So she didn't recommend that the complaint be upheld.

As Mr and Mrs M 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.

Within a separate decision setting out what we can and can't consider in respect of Mr and Mrs M's complaint, I explained that matters related to the Section 75 claims had been raised in time. In short, this was because the complaint was about how Shawbrook had handled the claims (i.e. declined them) – so it was the date of that event that was relevant when it came to the time limits that existed under our rules.

That said, the Limitations Act as cited by Shawbrook (and noted by our Investigator) is relevant in considering the merits of Mr and Mrs M's complaint. And, ultimately, it means that I do not think Shawbrook acted unfairly or unreasonably in declining to pay Mr and Mrs M any compensation in response to their claims. I'll explain why.

As both sides may already know, a claim against Shawbrook under Section 75 essentially mirrors the claim Mr and Mrs M 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, and I'm satisfied that they are.

There are, though, certain time limits that apply – and I think these mean Mr and Mrs M 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 and Mrs M's claim under Section 75 is that but for the Supplier's various alleged misrepresentations, they wouldn't have purchased either of the memberships (and, therefore, entered into either of the related loans with Shawbrook). So it is the date on which they entered into those agreements that their cause of action arose, meaning they had six years from those dates within which to bring this claim.

Mr and Mrs M purchased the first membership on 16 July 2014 and the second on 22 October 2014. They raised their claim about each with Shawbrook on 25 October 2023 – more than six years later. So I think Shawbrook had a complete defence to the claims, with each 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 and Mrs M's claims.

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 M and Mrs M to accept or reject my decision before 14 January 2026.

Ben Jennings
Ombudsman