DRN-6083505

The complaint

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

What happened

Mr M was the member of a timeshare provider (the 'Supplier') – having purchased a number of products from it over time. But the product at the centre of this complaint is his membership of a timeshare that I'll call the 'Fractional Club' – points in which Mr M purchased on the dates below:

- 910 fractional points on 18 April 2017 for £15,890 ('Purchase Agreement 1') but after trading in his trial membership he paid £11,895.
- 1,220 fractional points on 15 April 2018 for £6,793 – having traded in the first lot of 910 fractional points ('Purchase Agreement 2').
- 1,820 fractional points on 6 September 2018 for £29,919 – but after trading in the second lot of 1,220 fractional points he paid £9,228 ('Purchase Agreement 3').

(which, when appropriate, I'll simply refer to as the 'Purchase Agreements')

As this complaint is concerned with the purchases on 18 April 2017, 15 April 2018 and 6 September 2018, those are the 'Times of Sale' for the purposes of my decision.

Fractional Club membership was asset backed – which meant it gave Mr M more than just holiday rights. It also included a share in the net sale proceeds of a property named on the relevant purchase agreement (which I'll refer to as the 'Allocated Property 1, 2 and 3' or, when appropriate, the 'Allocated Properties') after his membership term ends.

Mr M paid for his fractional points by taking the following amounts of finance from the Lender:

- £15,071 on 18 April 2017 ('Credit Agreement 1')*
- £6,793 on 15 April 2018 ('Credit Agreement 2')*
- £15,711 on 6 September 2018 ('Credit Agreement 3')*

(which, when appropriate, I'll simply refer to as the ''Credit Agreements')

*Where the sum borrowed was more than the purchase price, Mr M consolidated previous loans he'd taken with the Lender to pay for existing timeshares.

Mr M – using a professional representative (the 'PR') – wrote to the Lender on 12 May 2022 and 14 June 2022 (the 'Letters of Complaint') to raise a number of different concerns. As those concerns haven't changed since they were first raised, and as both sides are familiar with them, it isn't necessary to repeat them in detail here beyond the summary above.

The Lender dealt with Mr M's concerns as a complaint and issued its final response letter on 2 January 2024, rejecting it on every ground.

Before this, the complaint was referred to the Financial Ombudsman Service.

I issued a provisional decision in November 2025 setting out why I didn't plan to uphold Mr M's complaint. I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. And having done that, I do not currently think this complaint should be upheld.

However, before I explain why, I want to make it clear that my role as an Ombudsman is not to address every single point that has been made to date. Instead, it is to decide what is fair and reasonable in the circumstances of this complaint. So, if I have not commented on, or referred to, something that either party has said, that does not mean I have not considered it.

Section 75 of the CCA: the Supplier's misrepresentations at the Times of Sale

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.

Certain conditions must be met if the protection afforded to consumers is engaged, including, for instance, the cash price of the purchase and the nature of the arrangements between the parties involved in the transaction. The Lender doesn't dispute that the relevant conditions are met. But for reasons I'll come on to below, it isn't necessary to make any formal findings on them here.

It was said in the Letters of Complaint that Fractional Club membership had been misrepresented by the Supplier at the Times of Sale because Mr M was:

(1) *told by the Supplier that Fractional Club membership had a guaranteed end date when that was not true.*
(2) *told by the Supplier that he owned a 'fraction' of the Allocated Properties when that was not true as it was owned by a trustee.*
(3) *told by the Supplier that Fractional Club membership was an "investment" when that was not true.*

Neither the PR nor Mr M have set out in any detail what words and/or phrases where allegedly used by the Supplier to misrepresent Fractional Club for the reason given in points 1 or 2. However, the PR says that such representations were untrue because the Allocated Properties were legally owned by a trustee and there was no indication of what duty of care it had to actively market and sell the properties. Further, there is no guarantee that any sale will result at all, leaving prospective members to pay their annual management charge for an indefinite and unspecified period.

However, I cannot see why the phrases in points 1 or 2 above would have been untrue at the Times of Sale even if it was said. It seems to me to reflect the main thrust of the contracts Mr M entered into. And while, under the relevant Fractional Club Rules, the sale of the Allocated Properties could be postponed for up to two years by the 'Vendor'[1], longer than that if there were problems selling and the 'Owners'[2] agreed, or for an otherwise specified period provided there was unanimous agreement in writing from the Owners, that does not render the representation above untrue. So, I am not persuaded that the representation above constituted a false statement of fact even if it was made.

As for point 3, it does not strike me as a misrepresentation even if such a representation had been made by the Supplier (which I make no formal finding on). Telling prospective members that they were investing their money because they were buying a fraction or share of one of the Supplier's properties was not untrue – nor was it untrue to tell prospective members that they would receive some money when the allocated properties are sold. After all, a share in an allocated property was clearly the purchase of a share of the net sale proceeds of a specific property in a specific resort. And while the PR might question the exact legal mechanism used to give prospective members that interest, it did not change the fact that they acquired such an interest.

The PR has raised other matters as potential misrepresentations, but it seems to me that they are not allegations of the Supplier saying something that was untrue. Rather, it is that Mr M wasn't told things about the way the membership worked, for example, that the obligation to pay management fees could be passed on to his children. It seems to me that these are allegations that Mr M wasn't given all the information he needed at the Time of Sale, and I will deal with this further below.

So, while I recognise that Mr M and the PR have concerns about the way in which Fractional Club membership was sold by the Supplier, when looking at the claims under Section 75 of the CCA, I can only consider whether there were factual and material misrepresentations by the Supplier. For the reasons I've set out above, I'm not persuaded that there was. And that means that I don't think that the Lender acted unreasonably or unfairly when it dealt with these particular Section 75 claims.

Section 75 of the CCA: the Supplier's Breach of Contract

I have already summarised how Section 75 of the CCA works and why it gives consumers a right of recourse against a lender. So, it is not necessary to repeat that here other than to say that, if I find that the Supplier is liable for having breached the Purchase Agreement, the Lender is also liable.

Mr M said that he could not holiday where and when he wanted to – which, on my reading of the complaint, suggests that the Supplier was not living up to its end of the bargain, potentially breaching the Purchase Agreements.

Yet, like any holiday accommodation, availability was not unlimited – given the higher demand at peak times, like school holidays, for instance. Some of the sales paperwork likely to have been signed by Mr M states that the availability of holidays was/is subject to demand. I accept that he may not have been able to take certain holidays. But I have not seen enough to persuade me that the Supplier had breached the terms of the Purchase Agreements.

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[1] Defined in the FPOC Rules as "CLC Resort Developments Limited".
[2] Defined in the FPOC Rules as "a purchaser who has entered into a Purchase Agreement and has been issued with a Fractional Rights Certificate (which shall include the Vendor for such period of time until the maximum number of Fractional Rights have been acquired)."

So, from the evidence I have seen, I do not think the Lender is liable to pay Mr M any compensation for a breach of contract by the Supplier. And with that being the case, I do not think the Lender acted unfairly or unreasonably in relation to this aspect of the complaint either.

Section 140A of the CCA: did the Lender participate in unfair credit relationships?

I've already explained why I'm not persuaded that Fractional Club membership was actionably misrepresented by the Supplier at the Times of Sale. But there are other aspects of the sales processes that, being the subject of dissatisfaction, I must explore with Section 140A in mind if I'm to consider this complaint in full – which is what I've done next.

Having considered the entirety of the credit relationships between Mr M and the Lender along with all of the circumstances of the complaint, I don't think the credit relationships between them were likely to have been rendered unfair for the purposes of Section 140A. When coming to that conclusion, and in carrying out my analysis, I have looked at:

1. *The standard of the Supplier's commercial conduct – which includes its sales and marketing practices at the Times of Sale along with any relevant training material;*
2. *The provision of information by the Supplier at the Times of Sale, including the contractual documentation and disclaimers made by the Supplier;*
3. *Evidence provided by both parties on what was likely to have been said and/or done at the Times of Sale;*
4. *The inherent probabilities of the sale given its circumstances; and, when relevant*
5. *Any existing unfairness from a related credit agreement.*

I have then considered the impact of these on the fairness of the relevant credit relationships between Mr M and the Lender.

The Supplier's sales & marketing practices at the Time of Sale

Mr M's complaint about the Lender being party to unfair credit relationships was and is made for several reasons.

The PR says, for instance, that:

1. *Mr M was pressured by the Supplier into purchasing Fractional Club membership at the Time of Sale.*
2. *the right checks weren't carried out before the Lender lent to Mr M.*
3. *the loan interest was excessive.*
4. *The Credit Agreement was arranged by a broker acting outside of its authorisation.*
5. *Mr M were not given a choice of lender by the Supplier.*

However, as things currently stand, none of these strike me as reasons why this complaint should succeed.

I acknowledge that Mr M may have felt weary after a sales process that went on for a long time. But he says little about what was said and/or done by the Supplier during his sales presentations that made him feel as if he had no choice but to purchase Fractional Club memberships when he simply did not want to. He was also given 14-day cooling off periods and he has not provided a credible explanation for why he did not cancel his memberships during that time. And with all of that being the case, there is insufficient evidence to demonstrate that Mr M made the decision to purchase Fractional Club memberships

because his ability to exercise that choice was significantly impaired by pressure from the Supplier.

I haven't seen anything to persuade me that the right checks weren't carried out by the Lender given this complaint's circumstances. But even if I were to find that the Lender failed to do everything it should have when it agreed to lend (and I make no such finding), I would have to be satisfied that the money lent to Mr M was actually unaffordable before also concluding that he lost out as a result and then consider whether the credit relationships with the Lender was unfair to him for this reason. But from the information provided, I am not satisfied that the lending was unaffordable for the Mr M.

Connected to this is the suggestion by the PR that the Credit Agreements were arranged by an unauthorised credit broker the upshot of which is to suggest that the Lender wasn't permitted to enforce the Credit Agreements. However, it looks to me like Mr M knew, amongst other things, how much he was borrowing and repaying each month, who he was borrowing from, and that he was borrowing money to pay for Fractional Club membership. And as the lending doesn't look like it was unaffordable for him even if the Credit Agreements were arranged by a broker that didn't have the necessary permission to do so (which I make no formal finding on), I can't see why that led to Mr M suffering a financial loss – such that I can say that the credit relationships in question were unfair to him as a result. And with that being the case, I'm not persuaded that it would be fair or reasonable to tell the Lender to compensate him, even if the loans weren't arranged properly.

Similarly, the PR has not explained how, if it were true, Mr M not being offered a different lender to pay for Fractional Club membership caused him any unfairness or financial loss. Mr M was aware of the interest rate set out on the face of the Credit Agreements, as well as the term of the loans and the monthly repayments, so he understood what it was he was taking out. Further, I don't think the rate of interest was excessive, compared either to other rates available from other point-of-sale lenders or on the open market, so I can't say it would be fair or reasonable to tell the Lender to do anything because of this.

Overall, therefore, I don't think that Mr M's credit relationships with the Lender were rendered unfair to him under Section 140A for any of the reasons above. But there is another reason, perhaps the main reason, why the PR now says the credit relationships with the Lender were unfair to him. And that's the suggestion that Fractional Club membership was marketed and sold to him as an investment in breach of prohibition against selling timeshares in that way.

The Supplier's alleged breach of Regulation 14(3) of the Timeshare Regulations

The Lender does not dispute, and I am satisfied, that Mr M's Fractional Club membership met the definition of a "timeshare contract" and was a "regulated contract" for the purposes of the Timeshare Regulations.

Regulation 14(3) of the Timeshare Regulations prohibited the Supplier from marketing or selling Fractional Club membership as an investment. This is what the provision said at the Time of Sale:

"A trader must not market or sell a proposed timeshare contract or long-term holiday product contract as an investment if the proposed contract would be a regulated contract."

But the PR says that the Supplier did exactly that at the Times of Sale.

The term "investment" is not defined in the Timeshare Regulations. But for the purposes of this provisional decision, and by reference to the decided authorities, an investment is a

transaction in which money or other property is laid out in the expectation or hope of financial gain or profit.

Shares in the Allocated Properties clearly constituted investments as they offered Mr M the prospect of a financial return – whether or not, like all investments, that was more than what they first put into it. But it is important to note at this stage that the fact that Fractional Club membership included an investment element did not, itself, transgress the prohibition in Regulation 14(3). That provision prohibits the marketing and selling of a timeshare contract as an investment. It doesn't prohibit the mere existence of an investment element in a timeshare contract or prohibit the marketing and selling of such a timeshare contract per se.

In other words, the Timeshare Regulations did not ban products such as the Fractional Club. They just regulated how such products were marketed and sold.

To conclude, therefore, that Fractional Club membership was marketed or sold to Mr M as an investment in breach of Regulation 14(3), I have to be persuaded that it was more likely than not that the Supplier marketed and/or sold membership to him as an investment, i.e. told him or led him to believe that Fractional Club membership offered him the prospect of a financial gain (i.e., a profit) given the facts and circumstances of this complaint.

There is competing evidence in this complaint as to whether Fractional Club membership was marketed and/or sold by the Supplier at the Times of Sale as an investment in breach of regulation 14(3) of the Timeshare Regulations.

On the one hand, it is clear that the Supplier made efforts to avoid specifically describing membership of the Fractional Club as an 'investment' or quantifying to prospective purchasers, such as Mr M, the financial value of their share in the net sales proceeds of the Allocated Properties along with the investment considerations, risks and rewards attached to them.

On the other hand, I acknowledge that the Supplier's sales process left open the possibility that the sales representative may have positioned Fractional Club membership as an investment. So, I accept that it's equally possible that Fractional Club membership was marketed and sold to Mr M as an investment in breach of Regulation 14(3).

However, whether or not there was a breach of the relevant prohibition by the Supplier is not ultimately determinative of the outcome in this complaint for reasons I will come on to shortly. And with that being the case, it's not necessary to make a formal finding on that particular issue for the purposes of this decision.

Was the credit relationship between the Lender and the Consumer rendered unfair?

Having found that it was possible that the Supplier breached Regulation 14(3) of the Timeshare Regulations at the Times of Sale, I now need to consider what impact such breaches had on the fairness of the credit relationships between Mr M and the Lender under the Credit Agreements and related Purchase Agreements as the case law on Section 140A makes it clear that 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.

Indeed, it seems to me that, if I am to conclude that a breach of Regulation 14(3) led to credit relationships between Mr M and the Lender that were unfair to him and warranted relief as a result, whether the Supplier's breach of Regulation 14(3) led him to enter into the Purchase Agreements and the Credit Agreements is an important consideration.

But on my reading of the evidence before me, the prospect of a financial gain from Fractional Club membership was not an important and motivating factor when Mr M decided to go ahead with his purchases.

I do not recognise an assertion within Mr M's testimony that he hoped or expected to make a profit or financial gain from Fractional Club membership. Within the Letters of Complaint Mr M said he was "introduced to Fractions for which (the Supplier) claimed they would own a part of a (Supplier) asset which would grow in value like normal property and which they could sell in 15 years times as per Fractional Rights Certificate and recoup some of their total investment"

Of course "some" of one's total investment is not the equivalent of a profit or financial gain on one's investment.

The PR also provided a (albeit unsigned and undated) Statement of Truth from Mr M in December 2023 and copies of handwritten notes it said it took from a telephone conversation with him when he first contacted it. However, neither of these provide the necessary support to the assertion Mr M's purchases were motivated by the prospect of a profit or financial gain. The Statement of Truth provides little more than a recollection of the way Fractional Club membership worked I.e. that he would "own a fractional percentage of the property", and the notes provide no detail as to what was said or done by the Supplier to make him think he could make a profit or financial gain.

Without an assertion of the prospect of profit or financial gain having been marketed to Mr M, I fail to see how he could have been motivated by this to make his purchases.

Mr M does explain being told he could sell his memberships at any point after two years. But again no mention is made he could do so at a profit. And in any event, some of the paperwork that Mr M is most likely to have signed to confirm his understanding of sets out that the Supplier does not operate a resale programme or repurchase fractionals. So, it seems unlikely to me the supplier would have done this.

Mr M mentions that he had issues with the availability and quality of accommodation he received under purchase agreements one and two and that it was explained to him that purchasing more fractional points would alleviate these issues. It seems that securing better availability and better quality accommodation were important to Mr M, and purchasing more fractional points appears to have been a way of achieving this. Indeed in notes the Supplier said were taken at the Times of Sale, for both Purchase Agreement 2 and Purchase Agreement 3, it was recorded that Mr M wanted more points, and (for Purchase Agreement 2) more benefits. This appears to be in keeping with Mr M's testimony. Indeed when Mr M upgraded via purchase agreement 3 he did not purchase an insignificant number of points, suggesting again that the potential for increased benefits from such ownership was important to him.

That doesn't mean Mr M wasn't interested in a share in the Allocated Properties. After all, that wouldn't be surprising given the nature of the product at the centre of this complaint. But as Mr M himself doesn't persuade me that his purchases were motivated by his shares in the Allocated Properties and the possibility of a profit, I don't think breaches of Regulation 14(3) by the Supplier were likely to have been material to the decisions Mr M ultimately made.

On balance, therefore, even if the Supplier had marketed or sold the Fractional Club membership as an investment in breach of Regulation 14(3) of the Timeshare Regulations, I am not persuaded that Mr M's decisions to purchase Fractional Club membership at the Times of Sale were motivated by the prospect of a financial gain (i.e., a profit). On the contrary, I think the evidence suggests he would have pressed ahead with his purchases

whether or not there had been a breach of Regulation 14(3). And for that reason, I do not think the credit relationships between Mr M and the Lender were unfair to him even if the Supplier had breached Regulation 14(3).

The provision of information by the Supplier at the Times of Sale

The PR says that Mr M was not given sufficient information at the Times of Sale by the Supplier in order to make an informed choice.

As I've 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 M sufficient information, in good time, on the various charges he could have been subject to as Fractional Club members in order to satisfy the requirements of Regulation 12 of the Timeshare Regulations (which was concerned with the provision of 'key information'). 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 M nor the PR have persuaded me that he would not have pressed ahead with his purchase had the finer details of the Fractional Club's ongoing costs been disclosed by the Supplier in compliance with Regulation 12, 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.

As for the PR's argument that Mr M's heirs would inherit the on-going management charges, I fail to see how that could be the case or that it could have led to an unfairness that warrants a remedy.

Mr M Commission Complaint

I note that one of Mr M other concerns relates to alleged payments of commission by the Lender to the Supplier for acting as a credit broker and arranging the Credit Agreements. The Supreme Court's recent judgment Johnson v FirstRand Bank Ltd, Wrench v FirstRand Bank Ltd and Hopcraft v Close Brothers Ltd [2025] UKSC 33 ('Johnson, Wrench and Hopcraft') clarified the law on payments of commission – albeit in the context of car dealers acting as credit brokers. In my view, the Supreme Court's judgment sets out principles which appear capable of applying to credit brokers other than car dealer–credit brokers. At present, I do not know enough about the relevant arrangements in place at the Times of Sale. So, once I know more, I will finalise my findings on this complaint.

Conclusion

In conclusion, as things currently stand, I do not think that the Lender acted unfairly or unreasonably when it dealt with the relevant Section 75 claims, and if I put the issue of commission to one side for the time being, I am not persuaded that the Lender was party to credit relationships with Mr M under the Credit Agreements that were unfair to him for the purposes of Section 140A of the CCA – nor do I see any other reason why it would be fair or reasonable to direct the Lender to compensate him.

But, as I've already said, it is necessary to wait for information on the relevant arrangements (considered in Johnson, Wrench and Hopcraft) between the Lender and Supplier before finalising my thoughts on the merits of this complaint."

Mr M didn't agree with my provisional decision and the PR submitted further comments and evidence and wished for me to consider.

The Lender agreed with my provisional decision.

I then wrote to the parties in January 2026 setting out my provisional findings on Mr M's concerns about the commission arrangements between the lender and the Supplier. I ultimately concluded that I would not uphold his complaint on this point. The PR accepted those findings.

I am therefore now finalising my decision.

The legal and regulatory context

In considering what is fair and reasonable in all the circumstances of the complaint, I am required under DISP 3.6.4R to 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 time.

The legal and regulatory context that I think is relevant to this complaint is no different to that shared in several hundred ombudsman decisions on very similar complaints. And with that being the case, it is not necessary to set it out here. But I would add that the following regulatory rules/guidance are also relevant:

The Consumer Credit Sourcebook ('CONC') – Found in the Financial Conduct Authority's (the 'FCA') Handbook of Rules and Guidance

Below are the most relevant provisions and/or guidance as they were at the relevant time:

- CONC 3.7.3 [R]
- CONC 4.5.3 [R]
- CONC 4.5.2 [G]

The FCA's Principles

The rules on consumer credit sit alongside the wider obligations of firms, such as the Principles for Businesses ('PRIN'). Set out below are those that are most relevant to this complaint:

- Principle 6
- Principle 7
- Principle 8

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.

Following the responses from both parties, I've considered the case afresh and having done so, I've reached the same decision as that which I outlined in my provisional findings, for broadly the same reasons.

Again, my role as an Ombudsman isn't to address every single point which has been made to date, but to decide what is fair and reasonable in the circumstances of this complaint. If I

haven't commented on, or referred to, something that either party has said, this doesn't mean I haven't considered it.

Rather, I've focused here on addressing what I consider to be the key issues in deciding this complaint and explaining the reasons for reaching my final decision.

The PR's further comments in response to my provisional decision in the main relate to the issue of whether the credit relationship between Mr M and the Lender was unfair. In particular, the PR has provided further comments in relation to whether the membership was sold to Mr M as an investment at the Time of Sale.

As outlined in my provisional decision, the PR originally raised various other points of complaint, all of which I addressed at that time. But they didn't make any further comments in relation to those in their response to my provisional decision. Indeed, they haven't said they disagree with any of my provisional conclusions in relation to those other points. And since I haven't been provided with anything more in relation to those other points by either party, I see no reason to change my conclusions in relation to them as set out in my provisional decision. So, I'll focus here on the PR's points raised in response.

Section 140A of the CCA: did the Lender participate in an unfair credit relationship?

The PR has provided further comments about some training material from the Supplier which my view relate to whether Fractional Club membership was marketed as an investment in breach of the prohibition in Regulation 14(3) of the Timeshare Regulations. However, as I explained in my provisional decision, while the Supplier's sales processes left open the possibility that the sales representative may have positioned Fractional Club membership as an investment, it isn't necessary to make a finding on this as it is not determinative of the outcome of the complaint. I explained that Regulatory breaches do not automatically create unfairness and that such breaches and their consequences (if there are any) must be considered in the round, rather than in a narrow or technical way.

The PR's comments and evidence in this respect do not persuade me that I should uphold Mr M's complaint because they do not make me think it's any more likely that the Supplier's breach of Regulation 14(3) led Mr M to enter into the Purchase Agreement and the Credit Agreement.

The PR has also provided its further thoughts as to Mr M's likely motivations for purchasing Fractional Club membership along with new evidence which it says supports the assertion he was motivated to make his purchase by the prospect of a financial gain or profit.

The new evidence includes notes the PR said were taken by a third-party timeshare relinquishment company (which I'll call 'T') from a telephone conversation with Mr M in December 2021 and an email it said Mr M sent to T when he first contacted it in January 2020.

The email talks about not getting "the profit they promised" and the notes say Mr M upgraded his Fractional Club membership "to get better profit at end when sold", However I find it difficult to reconcile the contents of this evidence, which had a heavy investment motivation focus, with Mr M's written statement, which barely had any at all. Given Mr M put his name to his written statement, I think its likely to be the most reliable version of any of his testimony in this case. And for the reasons I explained in my provisional decision, this testimony does not persuade me that his purchases were motivated by the prospect of a profit or financial gain.

So, ultimately, for the above reasons, along with those I already explained in my provisional decision, I remain unpersuaded that any breach of Regulation 14(3) was material to Mr M's purchasing decisions. And for that reason, I do not think the credit relationships between Mr M and the Lender were unfair to him even if the Supplier had breached Regulation 14(3).

S140A conclusion

Given all of the factors I've looked at in this part of my decision, including the relevant relationships, arrangements and payments between Mr M, the Lender and the Supplier and having taken all of them into account, I'm not persuaded that the credit relationships between Mr M and the Lender under the Credit Agreements and related Purchase Agreements were unfair to him. So, I don't think it is fair or reasonable that I uphold this complaint on that basis.

Conclusion

In conclusion, given the facts and circumstances of this complaint, I do not think that the Lender acted unfairly or unreasonably when it dealt with Mr M's Section 75 claims, and I am not persuaded that the Lender was party to credit relationships with him under the Credit Agreement that were unfair to him for the purposes of Section 140A of the CCA. And having taken everything into account, I see no other reason why it would be fair or reasonable to direct the Lender to compensate him.

My final decision

For the reasons I've explained, I do not uphold Mr M's complaint.

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

Michael Ball
Ombudsman