

The complaint

Mr and Mrs O have complained that a timeshare membership and a connected loan were mis-sold.

What happened

In August 2019, Mr and Mrs O purchased a timeshare membership – which I'll call 'Fractional Club' membership – from a timeshare provider (the 'Supplier'). The membership was asset backed – which means it gave Mr and Mrs O more than just holiday rights. It included a share of the net sale proceeds of a property named on the purchased agreement (the 'Allocated Property') after the membership term ended. It cost £16,430. Mr and Mrs O borrowed the full amount from Shawbrook to pay for it.

In January 2023, Mr and Mrs O wrote to Shawbrook to say they wanted the loan cancelled because they weren't getting the benefits promised by the Supplier and, sadly, due to a bereavement, their personal circumstances had changed, and they weren't able to afford the repayments.

When they didn't get a substantive response from Shawbrook, Mr and Mrs O referred their complaint to our service. On a form we ask all consumers to complete (the 'Complaint Form'), Mr and Mrs O said:

- They were mis-sold the loan by the Supplier, which has now gone into administration.
- They haven't been able to enjoy the benefits they were told they would get.

And Mr and Mrs O provided some more detail about how their personal circumstances have changed and why they can no longer afford the loan payments.

One of our investigators rejected the complaint on its merits. She considered the complaint by reference to section 75 of the Consumer Credit Act 1974 ('CCA').

Mr and Mrs O have asked that an ombudsman make a final decision.

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.

Regrettably, Mr and Mrs O haven't explained why they think their loan was mis-sold. I've reviewed the point-of-sale paperwork. Based on the very limited information that's available, there's nothing that indicates that the loan was unaffordable for them at the time or that Shawbrook otherwise did anything wrong when it lent them the money.

I appreciate that Mr and Mrs O's circumstances have changed. And if they can't afford the loan repayments, they should contact Shawbrook and, importantly, provide evidence of their financial difficulties. If they're in or approaching arrears, Shawbrook must treat them with forbearance and due consideration. But Shawbrook isn't required to simply cancel the loan.

I think our investigator was right to consider Mr and Mrs O's other complaint points by reference to section 75 of the CCA, and I'll do the same.

Section 75 protects consumers who buy goods and services on credit. It says, if certain conditions are met, that the finance provider is legally answerable for any misrepresentation or breach of contract by the supplier. A misrepresentation is an untrue statement made by one party to another that induces that party to enter into a contract.

Mr and Mrs O say they aren't getting the benefits promised by the Supplier – but that's all they say. They don't say what benefits they were promised that they aren't now getting and they haven't provided any supporting evidence. The Supplier has sent me evidence to show that Mr and Mrs O went on a 2-week holiday to America at the very end of December 2022 – so they were able to use the membership days before they complained. In the circumstances, I'm not persuaded that there was an actionable misrepresentation or breach of contract by the Supplier for which Shawbrook is legally answerable.

Finally, Mr and Mrs O say the Supplier has gone into administration. I don't think it has. I understand it's closed its sales division but it shouldn't affect Mr and Mrs O's ability to book and take holidays, and Mr and Mrs O haven't provided any evidence to show that it has or that they've otherwise been unable to access a service they're entitled to under the contract.

My final decision

For the reasons given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O and Mr O to accept or reject my decision before 16 February 2026.

Christopher Reeves
Ombudsman