

The complaint

Mr and Mrs B say Shawbrook Bank Limited ('Shawbrook') has unfairly declined their claim under section 75 of the Consumer Credit Act 1974 ('CCA'). And they say their creditor-debtor relationship with Shawbrook was unfair to them under section 140A of the CCA.

What happened

In June 2013, Mr and Mrs B 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 B more than just holiday rights. It included a share of the net sale proceeds of a property named on the purchase agreement (the 'Allocated Property') after the membership term ended. In March 2014, Mr and Mrs B essentially paid £10,021 to increase their fractional points to 1,820. Mr and Mrs B borrowed the full amount from Shawbrook to pay for it. This complaint is about the March 2014 sale.

In February 2021, Mr and Mrs B – using a professional representative ('PR') – wrote to Shawbrook (the 'Letter of Claim') to make a claim under sections 75 and 140A of the CCA. Specifically, the Letter of Claim said:

- The Supplier didn't conduct a proper assessment of Mr and Mrs B's financial position and their ability to repay the loan, which rendered the creditor-debtor relationship unfair to them under section 140A of the CCA.
- The Supplier applied 'undue' pressure on Mr and Mrs B.
- The Supplier 'breached EU law'.
- The Supplier made two misrepresentations: first, it told Mr and Mrs B that the only way they could 'exit' their existing timeshare membership was to purchase Fractional Club membership, which isn't true; second, it guaranteed that Mr and Mrs B would 'exit' the Fractional Club membership after a finite period, but this isn't true as a purchaser must first be found.
- Specific terms were unfair by reference to the Unfair Terms in Consumer Contracts Regulations 1999.
- The Supplier failed to review other financial products available.

Shawbrook dealt with the Letter of Claim as a complaint and issued its final response letter on 13 May 2021.

The PR then referred the complaint to our service.

Some time later, Mr and Mrs B told us they wanted to handle the complaint themselves.

One of our investigators rejected the complaint on the basis that Shawbrook would have a complete defence under the Limitation Act 1980 (the 'LA').

Mr and Mrs B asked for a final decision from an ombudsman.

I issued a provisional decision on 12 January 2026, which explained why I didn't intend to uphold this complaint. It included the following provisional findings:

Our Investigator relied on the LA to reject the complaint, but Shawbrook didn't. Instead, it addressed Mr and Mrs B's complaint points. I'm therefore inclined to do the same.

That said, I don't currently think this complaint should be upheld.

Before I explain why, I want to make it clear that my role as an ombudsman isn't to address every single point that's been made to date – it's to decide what's fair and reasonable in the circumstances of this complaint. So if I haven't commented on, or referred to, something that either party has said, it doesn't mean I haven't considered it.

I appreciate that Mr and Mrs B are no longer represented by the PR. As it's not strictly necessary to tie a particular complaint point to either section 75 or section 140A, I thought I'd simply address their complaint points in order. I want to assure Mr and Mrs B that it doesn't make a difference. But for completeness, I'll explain briefly what sections 75 and 140A say.

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.

Section 140A says a court may make an order if it thinks the relationship between a creditor and a debtor is unfair to the debtor. It's deliberately framed in wide terms, and a finding of unfairness can flow from something done on the creditor's behalf in connection with a 'related agreement'. Here, the purchase agreement is a 'related agreement'. And, by virtue of section 56 of the CCA, Shawbrook is legally answerable for the Supplier's actions.

Mr and Mrs B's complaint

The PR said the right affordability checks weren't carried out. But even if I were to find that Shawbrook 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 and Mrs B was actually unaffordable before also concluding that they lost out as a result and then consider whether the credit relationship with the Lender was unfair to them for this reason. But I haven't been provided with any information that shows that the lending was unaffordable for them.

Similarly, the PR said the Supplier applied 'undue' pressure on Mr and Mrs B – but it doesn't say how. I appreciate that Mr and Mrs B may have felt weary after a sales process that went on for a long time. But the PR didn't provide any direct, first-hand testimony from Mr or Mrs B that explains what was said and/or done by the Supplier during the sales presentation that made them feel as if they had no choice but to make the purchase when they didn't want to. They were also given a 14-day cooling off period and they haven't explained why they didn't cancel the membership. What's more, the sale I'm considering was the second sale in less than a year, so Mr and Mrs B would have been familiar with the sales process. In the circumstances, I've seen insufficient evidence to conclude that Mr and Mrs B made the decision to increase their fractional points in March 2014 because their ability to exercise that choice was significantly impaired by pressure from the Supplier.

The PR doesn't say how the Supplier 'breached EU law'.

In the Letter of Claim, the PR said the Supplier misrepresented the Fractional Club membership in two ways: it told Mr and Mrs B that Fractional Club membership was the only way of releasing themselves from their existing membership when that wasn't true; and, it told them the membership had a guaranteed end date when that wasn't true.

The first point is a generic, 'cut and paste' submission from the PR that doesn't apply to Mr and Mrs B: they were already – and, as I understand it, only ever – Fractional Club members, which had a fixed end date. Their March 2014 purchase didn't release them from their earlier Fractional Club membership any earlier – on the contrary, it delayed it.

And while I understand that the sale of the Allocated Property could be postponed in certain circumstances according to the Fractional Club rules, I haven't seen any evidence to support the allegation that Mr and Mrs B were given a guarantee by the Supplier that the Allocated Property would be sold on a specific date.

Based on what I've seen so far, I'm not persuaded that there was a misrepresentation or breach of contract by the Supplier for which Shawbrook is legally answerable.

The PR also said that there are some unfair contract terms in the purchase agreement. However, it hasn't provided any evidence that those terms were operated unfairly against Mr and Mrs B in practice, nor that such terms led them to behave in a way that was to their detriment. I'm therefore not persuaded that any of the terms governing the Fractional Club membership are likely to have led to an unfairness that warrants a remedy.

Finally, the PR said the Supplier failed to review other financial products available. But it wasn't required to. And, in any event, the Supplier says Mr and Mrs B completed application forms for different finance providers on the day and they therefore had a choice of provider.

In conclusion, given the facts and circumstances of this complaint, I don't think Shawbrook acted unfairly when it declined Mr and Mrs B's section 75 claim. And I'm not persuaded that Shawbrook was party to a credit relationship with them under the credit agreement and related purchase agreement that was unfair to them for the purposes of Section 140A. And having taken everything into account, I see no other reason why it would be fair to direct Shawbrook to compensate Mr and Mrs B.

Shawbrook says it accepts my provisional decision.

Mr and Mrs B say they disagree with my provisional decision – but they haven't explained why or provided any further information or evidence.

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.

As neither party has provided any further information or evidence, I confirm my provisional findings. My reasons remain the same.

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 Mr and Mrs B to accept or reject my decision before 26 February 2026.

Christopher Reeves
Ombudsman