

The complaint

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

What happened

I issued a decision on the jurisdiction of the Financial Ombudsman Service to consider Mr and Mrs B’s complaint, on 7 April 2026. In that decision, I explained that we did not have the power to decide Mr and Mrs B’s complaint that the Lender had participated in an unfair credit relationship with them within the meaning of Section 140A. So in this final decision I have considered only the matter of Mr and Mrs B’s concerns about the Lender’s handling of their Section 75 claim.

The factual background of this complaint is as follows: Mr and Mrs B purchased a holiday product (which I’ll refer to as a timeshare) from a timeshare company (the “Supplier”) on 13 May 2014 (the “Time of Sale”). The product was a “Trial Membership” in one of the Supplier’s holiday clubs. According to the paperwork completed at the Time of Sale, the membership entitled Mr and Mrs B to four weeks’ holiday accommodation, plus another four “bonus” weeks, all to be taken over the next 48 months and within a selection of 38 specific resorts. Mr and Mrs B were also given £700 in vouchers to be put towards holiday costs.

The price of the membership was £3,250, and the Supplier arranged a loan (the “Credit Agreement”) for this amount, with the Lender. The loan was in Mr and Mrs B’s joint names, and was repayable over 36 months at £114.92 per month. Mr and Mrs B repaid the loan on schedule, in May 2017.

Via PR, Mr and Mrs B made a complaint to the Lender in August 2025, on the grounds that:

- They had a claim against the Lender under Section 75 of the CCA, because the Supplier had made misrepresentations to them to persuade them to buy the membership, specifically:
 - They’d been falsely told they’d be able to go on holiday anywhere they wanted, whenever they wanted. There was there was a lack of availability when they tried to book, and/or the accommodation was not up to the standards promised.
 - They’d been told they could use their bonus weeks in Europe when in fact this wasn’t possible.
 - They had been told they could use their weeks in blocks of two weeks, but that hadn’t been possible.

Mr and Mrs B also complained that, for various reasons, the credit relationship between them and the Lender had been rendered unfair to them within the meaning of Section 140A of the CCA. As I’ve already said above, I decided, in an earlier decision, that we do not have

the jurisdiction to consider that part of the complaint.

In relation to the Section 75 claim, the Lender responded to PR to say this was time-barred under the Limitation Act 1980 (“LA”) because of how long it had been since the relevant cause of action had accrued.

The complaint was referred to the Financial Ombudsman Service and one of our Investigators looked into it. He concluded the complaint shouldn’t be upheld, reasoning that the Lender had not been unfair or unreasonable in declining the Section 75 claim on the grounds it had been time-barred under the LA.

PR, on Mr and Mrs B’s behalf, disagreed and asked for an Ombudsman’s decision. It argued:

- That Mr and Mrs B had only found out about potential problems with their purchase when they’d seen a court judgment in 2023 about mis-sold timeshares.
- It was unreasonable to expect Mr and Mrs B to have discovered their cause of action or cause to complain any earlier than they did.
- The relevant limitation period in the LA was extended in Mr and Mrs B’s case by Section 32 of the LA, on the grounds the Supplier’s misrepresentations had been fraudulent, and that the facts relevant to making a claim had been concealed from Mr and Mrs B.

Our Investigator considered these points, responding that he didn’t think there was sufficient evidence of fraudulent misrepresentation or deliberate concealment of relevant information.

The case has been passed to me to review and 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.

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 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 B’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 B 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 B’s case, that’s when they entered the agreement to purchase the timeshare, and the related Credit Agreement, on 13 May 2014. This would be mirrored in the claim against the Lender.

Mr and Mrs B first notified the Lender of their Section 75 claim in August 2025, more than six years after the cause of action accrued in relation to their claim for misrepresentation. So, on the face of it, their claim was made outside of the relevant limitation period.

I acknowledge that the LA does contain provisions for the limitation period to be extended (or suspended) in the event of fraud, concealment or mistake. But I think it is relevant in this case that the limitation period will still run when the claimant has discovered the fraud, concealment or mistake, or could with reasonable diligence have discovered it.

Mr and Mrs B’s allegations of misrepresentation centre on alleged false statements made about the availability of holidays with the timeshare, as well as where they would be allowed to take their bonus weeks and whether they could use their weeks in blocks of two.

I think it’s apparent from the nature of Mr and Mrs B’s concerns that they would have discovered shortly after purchasing the timeshare that it did not work in the way they had expected or hoped, or felt they had been led to believe by the Supplier’s representatives at the Time of Sale. So I think they discovered the relevant facts needed to make their claim for misrepresentation – that the Supplier may have made false statements to them – most likely within months of their purchase. PR argues that nothing would have alerted Mr and Mrs B to the falsity of the Supplier’s representations, but I think that must be wrong as Mr and Mrs B would have discovered this as soon as they tried to make bookings using the product. And the latest they could conceivably have tried to make bookings would have been in 2018 (when the product expired), which is still more than six years before their claim was notified to the Lender.

In light of this, I don’t think the relevant limitation period in Mr and Mrs B’s case has been suspended or extended in a way which means that, at the time the Lender was first notified of their Section 75 claim, they were still within the limitation period. I think that period had long come to an end, their claim was therefore time-barred under the LA, and the Lender did not act unfairly or unreasonably in declining their Section 75 claim.

My final decision

For the reasons explained above, I do not uphold Mr and Mrs B’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr B and Mrs B to accept or reject my decision before 18 May 2026.

Will Culley
Ombudsman