

The Complaint

Mr and Mrs C's complaint is, in essence, that Shawbrook Bank Limited acted unfairly and unreasonably by being party to an unfair credit relationship with them under Section 140A of the Consumer Credit Act 1974 (as amended) (the 'CCA').

Background to the Complaint

Mr and Mrs C purchased membership of a timeshare (the 'Fractional Club') from a timeshare provider (the 'Supplier') on 17 July 2013 (the 'Time of Sale'). They entered into an agreement with the Supplier to buy Fractional Points that they could use to take holidays (the 'Purchase Agreement').

Fractional Club membership was also asset backed – which meant it gave Mr and Mrs C more than just holiday rights. It also included a share in the net sale proceeds of a property named on the Purchase Agreement (the 'Allocated Property') after their membership term was due to end.

Mr and Mrs C paid for their Fractional Club membership by taking finance from Shawbrook (the 'Credit Agreement') – which was settled in full on 17 March 2014.

However, unhappy with the purchase, Mr and Mrs C wrote to Shawbrook on 22 March 2021 (the 'Letter of Complaint') to complain about their credit relationship with Shawbrook being unfair to them under Section 140A of the CCA. The reasons for that claim and complaint are likely to be familiar to both sides. So, I don't intend to repeat them here in detail. But, in summary, Mr and Mrs C said the following:

- (1) The Spanish Supreme Court has found that selling timeshares as ownership in properties falls foul of Spanish law.
- (2) The Supplier used aggressive sales techniques at the Time of Sale.
- (3) They weren't told by the Supplier about their entitlement to a 14-day cooling off period.
- (4) They weren't told about the size of the rises in their annual management charges.
- (5) They have never been able to book accommodation of the standard they were shown at the Time of Sale.
- (6) There wasn't any sort of creditworthiness assessment at the Time of Sale.
- (7) The interest rate applicable to the Credit Agreement was extortionate.
- (8) The Supplier wasn't authorised to arrange the Credit Agreement.
- (9) The Purchase Agreement and the terms and conditions attached to it contained unfair contract terms.
- (10) The Supplier implied that (1) Fractional Club membership was an investment for their pension in the future and (2) they could sell their membership back to it.

Shawbrook responded to the Letter of Complaint on 30 April 2021 rejecting Mr and Mrs C's concerns. The complaint was then referred to the Financial Ombudsman Service on 19 July 2021.

It was looked at by a number of Investigators, the most recent of whom concluded that:

- (1) Mr and Mrs C's complaint about Shawbrook's participation in an unfair credit relationship was made too late under the rules that apply to the Financial Ombudsman Service.
- (2) Shawbrook had a defence to a claim for misrepresentation under Section 75 of the CCA thanks to the Limitation Act 1980.
- (3) She hadn't seen enough to say that (1) Spanish law could be applied directly to the Purchase Agreement and (2) the Supplier wasn't authorised to arrange the Credit Agreement.

Mr and Mrs C disagreed with the most recent Investigator's assessment. So, the complaint was referred for an ombudsman's decision – which is why it was passed to me.

I issued a provisional decision ('PD') on 25 March 2026 in which I concluded the following:

- (1) Mr and Mrs C's complaint about a credit relationship with Shawbrook that was unfair to them (and all that it entails) under the Credit Agreement does not fall under the Financial Ombudsman Service's jurisdiction because it wasn't first made within the time limits set out in the rules that govern the Service's jurisdiction – which, on this occasion, is Rule 2.8.2 (2) of the Dispute Resolution Rules ('DISP') in the Financial Conduct Authority's (the 'FCA') Handbook of Rules and Guidance.
- (2) Two of the grounds on which Mr and Mrs C's unfair relationship complaint was made constituted separate and freestanding complaints. The first of those grounds was the suggestion that the Supplier breached Spanish law and the second was the assertion that the Supplier wasn't authorised to arrange the Credit Agreement. However, neither argument had any merit given what I had seen.

I gave both sides until 9 April 2026 to submit new evidence and/or arguments. Neither side have done that. And as the deadline has now been and gone, the complaint was passed back to me for my final thoughts.

As the PD dealt with both the limits on my jurisdiction under the rules that apply to the Financial Ombudsman Service and the merits of this complaint that I thought I could consider, I must now issue two decisions: one that finalises my thoughts on my jurisdiction (which I've already sent) and this Final Decision setting out my thoughts on the remaining merits.

My Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

And having done that, I still don't think that the remaining merits of this complaint ought to succeed.

As I've said before, while I can't consider the merits of Mr and Mrs C's complaint about their allegedly unfair credit relationship with Shawbrook and all that it entails, two of the grounds on which that complaint was made constitute separate and freestanding complaints – which is what I'm reconsidering here.

The first of those grounds is the suggestion that the Supplier breached Spanish law and the second is the assertion that the Supplier wasn't authorised to arrange the Credit Agreement.

However, as I said in my PD, the Purchase Agreement is governed by English law. So, it still isn't at all clear that Spanish law would be held relevant if the validity of the Purchase

Agreement were litigated between its parties and Shawbrook in an English court. And as I still haven't seen enough evidence to suggest that the Credit Agreement was arranged by the Supplier or another business when it wasn't authorised to do that, I'm not persuaded that it was arranged by an unauthorised credit broker.

My Final Decision

For the reasons set out above, I don't uphold what remains of the merits of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 8 May 2026.

Morgan Rees
Ombudsman