

Smith and another (Appellants) v Royal Bank of Scotland (Respondent)

Case ID: 2022/0004

Case summary

Issue

This appeal concerns the proper interpretation of section 140A of the Consumer Credit Act 1974. The key issue is whether, in assessing the fairness of a relationship between a debtor and a creditor, the court can compartmentalise the relationship and, accordingly, consider whether the relationship is unfair at a given point, rather than at the end of the relationship.

Facts

The appeal arises from two separate claims for compensation under the Consumer Credit Act 1974, each brought on the ground that an unfair relationship arose between the claimant debtor and the defendant creditor. The allegation in each case is that an unfair relationship arose by reason of RBS's non-disclosure of commission received from the insurer in respect of payment protection insurance ("PPI") policies taken out at the same time as agreements for credit cards from RBS. The claimant in each case succeeded at first instance before a District Judge, and on first appeal to a Circuit Judge. The Court of Appeal heard appeals in both cases together. The Court of Appeal allowed the appeals and dismissed the claims. The claimants now appeal to the Supreme Court.

Judgment appealed

[\[2021\] EWCA Civ 1832](#)

Parties

Appellant(s)

Karen Smith and another

Respondent(s)

Royal Bank of Scotland Plc

Appeal

Justices

Lord Hodge, Lord Briggs, Lord Kitchin, Lord Hamblen, Lord Leggatt

Hearing start date

12 January 2023

Hearing finish date

12 January 2023

Watch hearing

12 January 2023 [Morning session](#) [Afternoon session](#)