

The complaint

Mr A complains that Carnegie Consumer Finance Limited didn't allow him to cancel a fixed sum loan agreement.

What happened

In November 2024, Mr A enrolled onto a training course which was funded by a fixed sum loan agreement with Carnegie. The cost of the course was £7,870, and Mr A made an advance payment of £80. The agreement was for £7,790 to be repaid over 41 monthly payments of £190.

Mr A started the course, but soon after doing so he sadly suffered a bereavement. Mr A contacted Carnegie and explained he no longer had any enthusiasm for the course and was unable to continue with it. He asked to cancel the agreement. Carnegie told Mr A that – while it sympathised with his situation – the agreement could only be cancelled if Mr A had requested this within the first 14 days. It said it had paid the course provider in full for the course – so Mr A needed to repay the balance regardless of whether he continued with his studies. It said that – given the circumstances – the course provider had agreed to defer Mr A's studies by six months.

A complaint was referred to this service. Mr A said it was unfair that he was forced to continue paying for a service he was no longer benefiting from. He said he couldn't continue the course due to circumstances outside of his control, but he'd be happy to pay a penalty fee to end the agreement early. He felt the terms of the agreement should have allowed for exceptional circumstances such as bereavement.

One of our Investigators considered the complaint and didn't uphold it. They were satisfied the terms of the agreement were clear that the loan could only be cancelled within the first 14 days – and that Mr A agreed to these terms. They were satisfied Carnegie had tried to support Mr A by arranging for the course to be deferred by six months. Mr A didn't accept the Investigator's conclusions. He said that continuing to make repayments for a service he wasn't using caused him financial difficulty, and that he simply wanted to negotiate a reduced settlement to resolve things. He said he didn't realise he had entered a financial contract when signing up for the course. He asked for the complaint to be referred to an Ombudsman for a final decision. So, it's been passed to me to decide.

In his recent correspondence, Mr A has suggested that the course provider gave him misleading information about the agreement. Specifically, he says the contract was disguised as an agreement with his course provider, and that he wasn't told he was entering a loan agreement. This isn't part of the complaint Mr A referred to Carnegie – so isn't something I've considered here. If Mr A believes the agreement was misrepresented to him by his course provider, that's something he'd need to raise as a separate matter. If unhappy with the response he received, he may be able to refer that concern back to this service. In this decision, I've only considered Mr A's complaint that Carnegie didn't allow him to cancel his loan.

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.

I'd first like to say how sorry I was to hear of Mr A's loss. It's clear he's been through a very difficult time – and he has my sincere sympathy for this. I can also understand why – given the circumstances – he didn't want to continue with the course. But, being impartial, I need to think critically about whether Carnegie have done anything wrong or otherwise treated Mr A unfairly. If I find it hasn't, then I can't reasonably require it to take any further action.

I've reviewed the terms of the agreement, which states:

“Right of withdrawal:

You have the right to withdraw from the credit agreement at any time before the end of the 14th day starting with the day after the day on which you receive a copy of the executed agreement.”

The right to cancel within 14 days is also set out in Mr A's contract with the course provider. Both agreements were electronically signed by Mr A – and he was asked to confirm that he'd read and accepted them. So, having considered the information Mr A was given when enrolling in the course, I think it was clearly set out that he had 14 days to cancel the agreement if he didn't wish to continue. It's not in dispute that he didn't do this – and that his request to cancel the agreement came several months later. The agreement doesn't set out that it can be cancelled after the first 14 days have elapsed.

Mr A says his decision to stop attending the course resulted from a change to his circumstances which couldn't have been anticipated within 14 days of taking out the agreement. I note his concern that the agreement doesn't allow for exceptional circumstances such as bereavement. But Mr A accepted the terms of the agreement, and I'm satisfied those terms were clear.

I appreciate Mr A feels Carnegie should allow him to pay a penalty in order to cancel the agreement. But there's no provision in the terms of the loan that would allow for such an arrangement – and I see no other reason to require Carnegie to agree to this. I think Carnegie took reasonable steps to support Mr A by arranging for the course provider to defer the course for a period of six months to allow him time away from his studies. I wouldn't expect it to do anything more than that in the circumstances. It also told Mr A that it could consider a temporary reduced payment plan if he's struggling financially – which I find fair.

I have sincere sympathy for Mr A and the situation he now finds himself in. But for the reasons I've explained I can't fairly conclude that Carnegie made an error or otherwise treated him unfairly here – so I don't require it to do anything further.

My final decision

My final decision is that I don't uphold Mr A's complaint about Carnegie Consumer Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 February 2026.

Stephen Billings
Ombudsman