

The complaint

Miss M complains about a service which Premium Credit Limited ('PC') financed for her.

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

On 2 May 2025 Miss M took out a credit agreement with PC to fund a course.

Miss M is unhappy with the course and raised a complaint with the course provider in June 2025 and then a claim with PC. In summary, she says the course provider informed her she was using AI for an assignment when she wasn't. And it wasn't providing the promised support or allowing her to cancel the course.

Miss M also complained to PC that the credit agreement was unaffordable and PC should never have allowed her to take it because she was on Universal Credit and suffers from poor mental health.

Our investigator did not uphold the complaint so it was passed to me for a final decision.

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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

The claim about dissatisfaction with the course

I am sorry to hear about Miss M's issue with the service she paid for. However, it is worth noting here PC is not the supplier of the service. So when looking at what is fair I consider its role as a provider of financial services – and what it could have done to help with the information that was reasonably available to it at the time it considered the claim. As Miss M used a point-of-sale loan to pay for the service in dispute I consider the protection of Section 75 of the Consumer Credit Act 1974 ('Section 75') to be particularly relevant here.

Section 75 in certain circumstances allows Miss M to hold PC liable for a '*like claim*' for breach of contract or misrepresentation in respect of an agreement by a supplier of goods or services which is funded by the loan.

There are certain requirements that need to be met for Section 75 to apply – which relate to things like the cash price of the service or the way payment was made. After considering these factors I think the requirements are in place for Miss M to have a valid Section 75 claim against PC. So I have gone on to consider if there is persuasive evidence of a breach of contract or misrepresentation which would reasonably have been available to PC at the

time it considered the claim. And if so, what PC should fairly do now to put things right.

Along with the specific terms of the contract between Miss M and the course provider ('the supplier') I have also considered any terms implied by law. I note here that because Miss M appeared to be taking out a course with a view to a profession it could be argued that the Consumer Rights Act 2015 does not apply here. However, I am not focusing on this issue because there are likely equivalent terms in other legislation that apply here and it does not impact the outcome of this complaint in any event.

Usually when it comes to services a term is implied in contracts to say these are expected to be performed with reasonable 'care and skill'. This standard isn't defined in law – but is often taken to be the standard expected in that particular industry. In this case the provision of education.

Miss M's main complaint about the course appears to be that an assignment was flagged up as having unacceptable use of AI and she said she didn't use AI. I can see that when she raised this the course provider explained why work can be flagged as AI – and how to avoid this going forward. It also referred to the information it provided prior to the assignment which warns candidates about AI submission and plagiarism checks, the expectations, and the checks and methods that can be undertaken by a student prior to submission to minimise the chance of having work rejected for this issue.

I am not saying Miss M likely used AI or that she didn't. From the information she submitted to PC it wasn't clear. But while I can see it would be frustrating to have work flagged – I can't fairly say that the way the supplier acted demonstrated to PC a clear lack of reasonable care and skill in running the course. Or some express breach of contract. I say this noting the express terms and conditions of the course explain that work can be checked and rejected for suspected AI content and plagiarism. I expect this is common in the education industry.

I also note although Miss M requested to cancel her course for a refund the terms and conditions are clear that this can only be done within the 14-day cancellation period. Miss M has not shown that she cancelled within this time (it appears she first requested cancellation on 3 June 2025), so I can see why PC didn't fairly conclude that a breach had occurred in this respect. And while I note that Miss M raised difficulties with her mental health too – I can see that the supplier did signpost sources of support for this as I would have expected.

I know Miss M has also mentioned as part of her claim that she didn't get the tutor support she was expecting. I don't see where Miss M placed emphasis on this aspect in her original complaint to the supplier. And there is generally a lack of specific information to support these claims for PC to have considered in assessing the claim.

I can see the supplier does promise learning support for students through its mailing system via an online portal. But Miss M has not provided specific examples or detail to show that she had reached out to tutors, and they were not responding to her within a reasonable time. Nor are there records where she raised this as an issue at the time – as I would have expected if it was an issue. I note evidence shows Miss M did raise a support ticket with customer services in relation to the work that was flagged as AI – but this seems to have been responded to that same day. So based on that – it appears the supplier was reasonably responsive to online enquires. I can also see that during a chat session with customer services it informed Miss M of how she could get in touch with her tutor if she needed.

I note Miss M has referred to being told '24-hour' tutor support was available. I am not clear where the supplier promised this to her. It appears that on the sales call where the finance was agreed it mentioned '24-month access to course material and tutor support' rather than

24-hour tutor support. So this is where some confusion might have arisen. I also note that information published by the supplier on its website says that the tutor response time is within 3-5 days – so it seems less likely the supplier would have told Miss M it was more immediate than that.

I accept that I don't have all the initial conversations Miss M had with the supplier when finding out about the course. But in any event, even if 24-hour support was mentioned it would appear more likely in reference to the availability of contacting the tutor at any time via the online portal rather than the immediacy of a response.

I am also not persuaded Miss M's submissions about the support are consistent which weakens this aspect of her claim to PC. Miss M refers to not being able to get in touch with tutors but also that the tutors took 5 days to respond (which indicates Miss M was able to get in touch with them). I know Miss M has recently mentioned that 'replies were generic and non-specific' and 'meaningful academic guidance was not provided' by the supplier. But I don't see where she raised these things to PC when it considered the claim – nor where these allegations are supported by specific and substantiated examples.

So, overall, with what I have said in mind I don't think that PC were acting unfairly in declining the Section 75 claim here. In summary, there was not persuasive evidence of a breach of contract or misrepresentation for it to fairly do so.

Irresponsible Lending / Mis-sale of Finance

We've explained how we handle complaints about irresponsible and unaffordable lending on our website. And I've used this approach to help me decide Miss M's complaint.

PC needs to make sure it didn't lend irresponsibly. To do this it would need to carry out proportionate checks to understand if Miss M was able to make payments in a sustainable manner, before it agreed to lend the money.

What is a proportionate check depends on different factors – which can include what the lender already knows about the customer, the amount being lent and the repayment schedule.

Here I note that the loan repayments were for around £65 a month after an initial payment of around £68. And the total amount repayable over 24 months being around £1,530.

The monthly payments were not significant, but Miss M was borrowing quite a lot overall and it needed to be repaid over an extended period. Miss M also appeared to be a new customer to PC at the time. So, with all this in mind I would have expected PC to carry out reasonably robust checks to ascertain whether Miss M could afford the monthly repayments by understanding her specific financial position at the time.

From what I can tell PC carried out automated checks on Miss M's credit file which didn't reveal any concerns. And I can see that the information Miss M has provided about her credit file supports that she didn't have a lot of active credit – and was generally managing this well. But although PC appears to have some other data relating to Miss M's financial situation it isn't clear what it specifically asked her about income and expenditure and how she answered, versus what it produced through automated systems. So I can't be sure that proportionate checks were carried out here.

However, even if I concluded the initial checks were not proportionate I would also then go on to see what proportionate checks would likely have shown in any event. So if PC asked Miss M about her income and expenditure at the time what would it have likely found out. To

ascertain this I have looked at Miss M's finances from around the time she took out the credit through bank statements she has provided. I am not saying PC should have obtained this information – but it's indicative of what Miss M would likely have told it.

Our investigator has carried out an income and expenditure assessment from the information Miss M has provided from her bank statements. It shows Miss M's average regular monthly income was about £700 and her committed outgoings (including essential living costs) were about £130 a month. Which shows Miss M was able to afford the commitment to fund her course. And Miss M has not persuasively disputed the accuracy of this assessment. So I can't fairly conclude that PC made an unaffordable lending decision.

I note Miss M has said she shouldn't have got the loan from PC as her income is from benefits. While I expect that PC would have asked about income and expenditure – I don't think it would necessarily have been expected to go as far as to get bank statements which showed it that information. So it wouldn't have reasonably been aware about the benefits. But in any event, this isn't a reason for it not to lend to Miss M. Furthermore, after considering the pre-sale correspondence and the sales call where Miss M decided to go ahead with the loan I don't have persuasive evidence that PC knew of some other reason why the loan was otherwise not right for Miss M at the time.

Miss M has raised some other allegations about being pressured/rushed into a decision to take out the finance by the supplier acting in its role as a credit broker. Under the Consumer Credit Act 1974 PC can be responsible for the way the finance has been sold by the broker – so I have thought about this.

There isn't anything on the sales call with the supplier that indicates Miss M was being rushed or pressured into agreeing to take out finance. It appears the cost of credit was clearly outlined on this call including the monthly repayments and the total amount repayable over the term. The cancellation period was also outlined here.

Furthermore, the sales call appears to have followed previous discussion and email correspondence between Miss M and the supplier where she received further information about the course, asked questions about the way the finance worked and then indicated she had decided to go ahead with the course. Which indicates the supplier didn't pressure her and allowed her time to make an informed decision. And while I am sorry to hear about what Miss M has said about her mental health – I can't see where Miss M disclosed any vulnerability or other relevant situation that meant the broker should have acted differently here. Overall, I can't fairly agree that the finance was mis-sold.

I know Miss M is likely to disagree with my decision. However, I remind her she does not have to accept it and may choose to pursue her dispute by more formal means (such as court) going forward.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 May 2026.

Mark Lancod
Ombudsman