

## **The complaint**

Mrs S complains that International Correspondence Schools Limited trading as ICS Learn (ICS Learn) acted irresponsibly when they agreed to lend to her.

## **What happened**

I issued Mrs S and ICS Learn with a provisional decision setting out why I was minded to not uphold this complaint and invited both parties to provide any further evidence and/or submissions in reply.

An extract from that provisional decision is set out below.

*In August 2024 Mrs S successfully applied for credit to pay for a course through ICS Learn with a cost of £4,139. An initial deposit of £122 was paid, and the remainder was to be paid in monthly instalments of £103 over 39 months with 0% interest. Mrs S says this lending was irresponsible as it was approved while she was in an active Individual Voluntary Arrangement (IVA). She would like the loan written off or a substantial reduction in the remaining balance.*

*ICS Learn did not think that the lending was irresponsible as it was interest free and as Mrs S had already finished her studies by the time she raised her concerns, it was not possible to refund the course fees.*

*Mrs S raised her complaint with our service and our investigator said that they didn't think that the checks which ICS Learn carried out prior to lending were reasonable and proportionate. They found that such checks would most likely have found the decision to lend was not fair. No interest or charges had been applied on the account, but the investigator thought any negative information should be removed from Mrs S's credit file.*

*ICS Learn clarified that they have not added any negative information to Mrs S's credit file, although the contract does permit this to be done. While they didn't think the lending was irresponsible, they thought that the proposed outcome was fair and reasonable. Mrs S disagreed, saying that she didn't think she should have to repay the balance of the loan because it shouldn't have been given in the first place.*

*Ultimately a resolution couldn't be reached and Mrs S asked for an ombudsman to decide on the matter. So, the case has been passed to me to decide.*

## **What I've provisionally 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've not reflected every point that has been raised. No discourtesy is intended here, this is merely to reflect my informal role in deciding a fair and reasonable outcome. So, I've focused on what I think are the key issues of the complaint. If there is something I haven't mentioned,*

*it isn't because I've ignored it.*

*I've considered what both parties have said about Mrs S's lending with ICS Learn. Having carefully considered everything, I currently think that ICS Learn don't need to take any further action. I'll explain why.*

*The relevant rules, regulations, and guidance at the time of ICS Learn's lending decision required them to carry out proportionate checks. While there isn't a defined list of checks a lender needs to carry out, such checks should be proportionate, considering things like the type, amount, duration and total cost of the credit, as well as the borrower's individual circumstances. These checks needed to assess Mrs S's ability to afford the loan being approved and to be able to repay it sustainably, without causing her financial difficulties or harm.*

*It isn't sufficient for ICS Learn to just complete proportionate checks, they must also consider the information obtained from these checks to make a fair lending decision. I've considered the checks ICS Learn did and what they found from these checks.*

*Mrs S applied for this lending online. During this process there is a self-assessment tool available for borrowers to determine if they will be able to afford monthly payments on the loan. There is no evidence that this self-assessment was completed or that this or other information was considered by ICS Learn to assess if Mrs S could afford to repay this lending. While there was no interest charged, Mrs S's contract with ICS Learn explains that if monthly payments are not made, they may pass the account to a debt recovery agency.*

*Considering the amount of credit offered and the limited information available about Mrs S's ability to afford the lending, I don't currently think that the checks carried out by ICS Learn were reasonable and proportionate in the circumstances.*

*I think that ICS Learn should have at least carried out a credit check. Had they done so they would have discovered that Mrs S had a number of defaulted accounts and was in an active IVA from 2020. If this had prompted ICS Learn to ask further questions to Mrs S about her income and expenses, I also think they would have found that this lending was not affordable or sustainable based on her income and expenditure at the time. Taking into consideration the amount of lending and Mrs S's surrounding circumstances, I do not currently think the decision to lend was fair.*

*I've also considered whether ICS Learn acted with forbearance. After learning of Mrs S's financial situation, ICS Learn offered her a three-month payment break around September 2025. ICS Learn were not able to offer a partial refund as they were not told of her financial situation until after Mrs S's course had already been completed. But there was no interest on this loan, and no charges have been applied. ICS Learn have also confirmed they have not added adverse credit markers to Mrs S's credit file. I currently think that ICS Learn have acted with forbearance.*

*Mrs S has said she feels the remaining balance should be written off. However, as she has benefited from what she has purchased with this credit, I think it's fair that she repays the remaining balance for the capital of the lending. I do not currently find that there are circumstances that would mean it would be fair for this balance to also be refunded.*

*Although I've currently found that the checks carried out were not reasonable or proportionate and that these checks would have most likely shown the lending was not fair, I need to consider if I think there is anything which ICS Learn now needs to do. There was no interest or charges on the account and ICS Learn have not added negative information relating to this lending to Mrs S's credit file. Mrs S has benefited from the amount which she*

*used to complete studies. Since learning of Mrs S's financial circumstances, ICS Learn have shown forbearance.*

*As such, I don't think that ICS Learn need to take any further action to put things right, and so I don't currently intend to uphold this complaint.*

*In reaching my conclusions, I've also considered whether the lending relationship between Mrs S and ICS Learn might have been unfair to Mrs S under Section 140A of the Consumer Credit Act 1974 ("CCA"). I'm satisfied that although ICS Learn did provide the loan to Mrs S irresponsibly, they haven't treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A CCA would, given the facts of this complaint, lead to a different outcome here.*

### **Response to provisional decision**

ICS Learn accepted the above outcome. Mrs S responded to say that she did not agree. In summary she said that as the lending was found to be unfair, she did not feel she should remain fully liable for the balance. She says that she was financially vulnerable at the time and even though the repayments were interest-free, they still caused financial strain. She would like for the balance to be written off or substantially reduced.

Mrs S has had use of the money which she was lent, and so I think it's fair she should repay the amount lent to her. Usually where lending is found to be unfair, we would tell the lender to refund all the interest, fees and charges. I've taken Mrs S's response into consideration, and remain of the view that the circumstance of this case are not such that the balance should be written off or reduced.

As such, I remain of the view that ICS Learn don't need to take further action here.

### **My final decision**

For the reasons given above, I do not uphold this complaint against International Correspondence Schools Limited trading as ICS Learn.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 30 April 2026.

Frances Kerslake  
**Ombudsman**