

complaint

Ms M complains that Clydesdale Financial Services Limited, trading as Barclays Partner Finance, will not cancel the credit agreement that she used to pay for a training course for her partner.

background

In January 2010 Ms M entered into a fixed sum loan agreement with Barclays Partner Finance to pay for a training course for her partner. The course provider stopped trading and Ms M was not satisfied with the replacement course provider so she cancelled her direct debit and tried to cancel the credit agreement. Barclays Partner Finance did not accept her cancellation of the agreement so she complained to it. She was not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that the debtor-creditor-supplier relationship required for a claim to be successful under section 75 of the Consumer Credit Act 1974 was not present. He therefore concluded that Barclays Partner Finance was not liable to Ms M for the potential breach of contract. He also concluded that she had not cancelled the credit agreement when she cancelled her direct debit.

Ms M says that the salesman and Barclays Partner Finance were happy for her to act as a guarantor for her partner and she was not told that, in doing so, she would, in effect, null and void the agreement. She also explains why she remains dissatisfied with Barclays Partner Finance and the course provider.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The fixed sum loan agreement is made between Ms M and Barclays Partner Finance. I am satisfied that she is the debtor under the agreement and not a guarantor. I am not persuaded that there is enough evidence to show that Ms M cancelled the credit agreement in accordance with the terms of that agreement.

In certain circumstances, section 75 gives a consumer an equal right to claim against the supplier of the goods or services or the provider of credit if there has been a breach of contract or misrepresentation by the supplier. One of those circumstances is that there must be a direct relationship between the debtor (in this case Ms M), the creditor (in this case Barclays Partner Finance) and the supplier (in this case the course provider). Ms M did not have a direct relationship with the course provider as it has agreed to provide a training course to her partner (and not to her). In the absence of the required debtor-creditor-supplier relationship, Ms M's complaint against Barclays Partner Finance cannot be successful. It would therefore not be fair or reasonable for me to require Barclays Partner Finance to cancel the fixed sum loan agreement in these circumstances.

my final decision

For these reasons, my decision is that I do not uphold Ms M's complaint.

Jarrold Hastings
ombudsman