

complaint

Mr R complains that Clydesdale Financial Services Limited, trading as Barclays Partner Finance, is pursuing him to repay a loan for a training course that he was unable to start. As this was the fault of the training provider selected, he says the bank is in breach of contract and should cancel the loan.

background

Mr R enrolled on a course to be supplied by a training company who subsequently went into administration. He says he tried to contact the replacement provider on a number of occasions but it did not at first reply, then said it had no record of him and then told him his course had expired. The bank said that, as it appointed an alternative training provider, it remedied the breach of contract, and met its obligation to ensure the service Mr R purchased was supplied. It said it was clear that Mr R had 24 months in which to access and complete the course, and it was his responsibility to do so before the course expired.

Our adjudicator recommended that this complaint should be upheld in part. She said that the offer the bank had made, to extend the course expiry date, was fair and reasonable but she could not find grounds to cancel the loan. She added that the bank would review the repayments if Mr R provided current income and expenditure data. Mr R rejected the bank's offer.

During the complaint investigation, the second provider went into administration, so the bank revised its offer to allow Mr R to select a training provider of his choice, saying it would then agree the terms of the arrangement, once it had details of the cost and duration of the course. Mr R was not satisfied with this outcome, saying his family circumstances had changed again, and he was still having financial difficulties so he no longer had the time to complete the course. He has a debt management plan which is making token repayments off the Barclays loan.

The bank said there was no evidence that Mr R had repeatedly contacted the second provider as he described, and that, as it had remedied the breach of contract when the first trainer went into administration, Mr R was contractually obliged to repay the loan.

my findings

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

I am not persuaded that the bank should cancel the agreement and refund payments made. I cannot find enough evidence to conclude that Mr R tried to complete the course but was prevented from doing so by the bank breaching contract. I consider that he had ample time to resolve the issues with the second provider. I would have expected him to contact the bank much sooner if he could not book onto the practical part of the course as required.

Whilst I understand that his current circumstances mean he cannot spare the time for unpaid training, I do not consider this means the bank should cancel the agreement. It would not be fair for the bank to suffer a financial loss due unforeseen changes in Mr R's circumstances. It has offered to give a reasonable training extension and has already agreed to the nominal repayments from the debt management plan. I find that this is a fair and reasonable settlement.

my final decision

My final decision is that I uphold this complaint in part. I direct Clydesdale Financial Services Limited, trading as Barclays Partner Finance, to agree fair and reasonable terms that allow Mr R to complete the course he is paying for. I would urge Mr R to now select a new trainer and course date and contact the bank to make this agreement.

I would remind the bank of its obligation to treat customers in financial difficulties positively and sympathetically, and to ensure that this obligation is reflected in the flexibility it shows with regards to the arrangements for the course.

Rebecca Connelley
ombudsman