

complaint

Mr M complains that a fixed sum loan agreement was mis-represented to him by Carnegie Consumer Finance Limited.

background

Mr M signed a fixed sum loan agreement with Carnegie Consumer Finance in September 2016 to pay for a training course. He says that he contacted the training provider to cancel the course and he complained to Carnegie Consumer Finance in February 2017. He wasn't satisfied with its response so he complained to this service. He says that the agreement is unaffordable for him, that he tried to cancel the agreement within the cancellation period and that he was told that the course would be paid for by a grant.

The investigator didn't recommend that this complaint should be upheld. She said that the documentation that Mr M signed made it clear that he was agreeing to a loan and not a grant. She also said that Carnegie Consumer Finance carried out a credit check on Mr M, that an income and expenditure form was completed and that it looked at his bank statements – which showed that he was able to afford the loan repayments. And she said that Mr M had been unable to provide evidence to show that he tried to cancel the agreement within the 14 day cancellation period.

Mr M has asked for his complaint to be considered by an ombudsman. He says, in summary, that Carnegie Consumer Finance didn't fully explain what the grant/loan was and that he was in a way forced to sign an agreement which he didn't understand. And he says that he informed it that he wasn't taking up the course and cancelled it.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr M contacted the course provider about a training course and was then visited by a representative. Mr M says in his complaint form that the representative described the course. Mr M then signed a fixed sum loan agreement to pay for the course. It was clearly described as a loan agreement between Carnegie Consumer Finance and Mr M. Immediately above Mr M's signature it says: "*This is a credit agreement. Sign it only if you want to be legally bound by its terms*"; and Mr M agreed that he would: "*... pay 43 monthly repayments of £165*". There is no reference to a grant or to anyone else paying for the course. So I find that Mr M signed the agreement to pay for the course and that he agreed to make the specified payments.

In the agreement, Mr M declared that he'd received a copy of the agreement for him to keep and that he'd received a copy of the pre-contract credit information before signing the agreement. Carnegie Consumer Finance has provided a copy of the affordability assessment signed by Mr M and a student status credit application also signed by Mr M. The information provided by Mr M shows that the repayments were affordable for him at the time that he entered into the agreement. And Carnegie Consumer Finance has also provided a copy of the client compliance confirmation which has been signed by the representative and which confirms that he had complied with the regulatory requirements.

Mr M says that he cancelled the agreement within the cancellation period. But he hasn't been able to provide any evidence to show that he did so. The course provider says that it wasn't contacted by Mr M until the end of October 2016 – after the cancellation period had ended. There's no other evidence to show that Mr M contacted Carnegie Consumer Finance within the cancellation period - and I'm not persuaded that there's enough evidence to show that Mr M cancelled the agreement within the cancellation period.

I don't consider that there's enough evidence to show that the agreement was misrepresented to Mr M or that Carnegie Consumer Finance has acted incorrectly in its dealings with Mr M. So I find that it wouldn't be fair or reasonable for me to require it to cancel the loan agreement or to take any other action in response to Mr M's complaint.

Mr M says that he now can't afford the repayments – and I sympathise with him for that. The investigator has provided him with some information about free debt advice that's available. And I remind Carnegie Consumer Finance that it's required to respond to any financial difficulties that Mr M is experiencing positively and sympathetically.

my final decision

For the reasons set out above, my decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 September 2017.

Jarrold Hastings
ombudsman