

complaint

Mr A complains that a fixed sum loan agreement was mis-sold to him by 3J Finance Limited. He's being helped with his complaint by his wife.

background

Mr A used a fixed sum loan agreement with 3J Finance that he signed in December 2016 to pay for English language training. He complained to 3J Finance last year that the loan agreement had been mis-sold to him. He wasn't satisfied with its response so complained to this service.

The investigator didn't recommend that this complaint should be upheld. He said that Mr A had signed documents confirming that the training was to be paid for using a fixed sum loan agreement (which he could cancel early - but that that would lead to a repayment charge). And he said that Mr A had confirmed that he agreed to it and that it had been explained to him.

Mr A's wife – on his behalf - has asked for this complaint to be considered by an ombudsman. She says, in summary, that Mr A's English isn't good and that she wasn't there to help him when he signed the loan agreement.

my findings

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

It's clear that Mr A wanted some English language training. He signed an application form for some training (which included the course materials and some training services), an affordability letter (which included a statement that his preferred method of payment was an interest free finance agreement), 3J Finance's terms and conditions and a direct debit mandate form. He then signed the fixed sum loan agreement and he also paid a £50 deposit. It was clear from the application form and the loan agreement that the cost of the training was £2,548.

The loan agreement clearly said that it was a loan agreement and the key terms of the loan (including the four year term, the amount of credit, the monthly payment and the 0% interest rate) were clearly set out. The agreement said that Mr A had: *"... the right to withdraw from this loan agreement within 14 days. If you do exercise the right to withdraw from this loan agreement you are required to repay us the total amount of credit without delay"*.

Although Mr A's wife and 3J Finance give different accounts of what happened, I consider that the documents show clearly what was agreed. Mr A agreed to pay for the course using the loan agreement and he signed the loan agreement to accept the terms that it contained. I'm not persuaded that the training was mis-sold to Mr A or that 3J Finance has acted incorrectly. So I find that it wouldn't be fair or reasonable for me to require 3J Finance to release Mr A from the loan agreement, to pay him any compensation or to take any other action in response to his complaint. Mr A has asked for – and been required to pay for – further course materials. That's because they weren't part of the course materials that were included in the training. I'm not persuaded that the course provider has acted incorrectly in charging for those materials.

Mr A's wife says that Mr A can't afford the payments under the agreement. 3J Finance is required to respond positively and sympathetically to any financial difficulties that Mr A's experiencing. And I consider that it should act positively and sympathetically to any such difficulties in trying to agree a repayment arrangement with Mr A for the amount that he owes which takes account of his income and expenditure.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 March 2018.

Jarrold Hastings
ombudsman