

complaint

Ms M says that she cancelled her loan with Career Finance 4 Trade Skills Limited ("Career Finance") within the cooling-off period, but that it's incorrectly continued to take payments from her.

background

Ms M took out a loan of £3,050 with Career Finance on 13 February 2015 to fund a training course for her son. After paying an initial deposit of £50 that day, the loan was repayable at £100 per month for 30 months.

But for an occasional late or missed payment, Ms M was repaying the loan with the required amounts of £100 from March 2015 until around July 2017. But at that time, she complained to Career Finance about the amounts she was being asked to pay. She said she'd cancelled the loan within the statutory cooling off period – so she wanted a refund of the payments Career Finance had taken.

Career Finance said it hadn't received any request from Ms M to cancel the loan agreement within the cooling off period, so it had rightly continued to collect payments. And it didn't think that Ms M had believed the agreement had been cancelled – it said she'd been in contact with it on a number of separate occasions, making payments by debit card and standing order. So it didn't think it had done anything wrong.

Ms M remained unhappy, and brought her complaint to us. She said that it was only when going through her divorce that she'd discovered Career Finance had still been taking the £100 payments from her account. She also said that she'd raised the matter on a number of occasions, and had only continued to make payments to protect her credit record. And she sent us a copy of the letters and emails she said she'd sent to Career Finance back in February 2015 to cancel the agreement.

One of our investigators reviewed Ms M's complaint, but didn't think it should be upheld. He said that there was nothing to show Career Finance had received a request from Ms M to cancel the loan. He also noted some discrepancies within the copy correspondence that Ms M had provided. And he couldn't see that she'd later mentioned to Career Finance that she'd tried to cancel the loan – instead, she'd actually made a number of payments towards it.

Ms M didn't accept our investigator's view. She maintained that she'd cancelled the agreement in time and raised the issue with Career Finance on a number of occasions. She also sent us another letter that she said Career Finance had sent her, confirming the cancellation. So she asked for an ombudsman to review her complaint, and it was passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusion as our investigator and for broadly the same reasons. I'll explain why.

As Ms M signed the loan agreement with Career Finance on 13 February 2015, the 14-day cooling off period in which she could cancel the agreement without charge ran until

27 February 2015. The agreement explained that to do so, Ms M would need to give notice by phoning Career Finance or writing to them by post, email or fax. But Career Finance says it has no record of receiving any such notice from Ms M.

Ms M says she wrote to Career Finance on 18 February 2015. But the copy letter she's sent us is actually addressed to the course provider, not Career Finance. They're separate businesses, providing separate services. So even if Ms M did send that letter to the course provider, she would still have needed to notify Career Finance that she wished to cancel the loan – as set out in the loan agreement.

Ms M says she also emailed notice of cancellation to Career Finance on 18 February 2015. Rather than forwarding us this email as we requested, Ms M sent us screenshots of the various emails she says she sent in this respect. But I have some doubt as to when these emails were actually written, as one of them includes our reference number for her complaint within the body of the email. Ms M hasn't been able to satisfactorily explain how that could be possible, as the emails were purportedly sent some two years before she got in touch with us (and we gave her that reference number). In any case, none of the emails she's provided are actually addressed to the correct cancellation email address that Career Finance provided in the loan agreement, and all but one of them are again addressed to the course provider instead. So I can't see that Ms M actually sent notice of cancellation to Career Finance in the required way.

In response to our investigator's view, Ms M also emailed us a copy of a letter she says she received from Career Finance confirming that the agreement had been cancelled. The letter is dated 20 February 2015 and says Ms M had successfully "*exercised (her) right to cancel the loan agreement within the contractually specified 14 day "cooling off" period.*" But Career Finance says it didn't produce the letter, and has raised a number of anomalies with it. It's evidenced, for example, that the letterhead it used back in 2015 was different to the one used on this letter. And it said the letter couldn't have been produced in 2015, as some details that it included – perhaps most notably its FCA registration number – weren't actually in use at that time.

So I don't think I can rely on any of the documentation Ms M has provided to say that she did cancel the agreement, as there are several reasons to question its authenticity.

I've also reviewed the history of contact on the account between Ms M and Career Finance. There's no notes within Career Finance's records that suggest Ms M ever mentioned she'd cancelled (or that she wished to cancel) the loan – which I would've expected if she'd actually tried to do so at the very outset.

And having listened to some recordings of calls between Ms M and Career Finance, it seems that she was doing her utmost to keep up with the payments due under the agreement. She called up to discuss the account when payments were missed – and set up payment arrangements to make up the shortfall. Far from being aggrieved at having to pay the loan, Ms M was apologetic that she'd fallen behind. And in all, Ms M made payments totalling over £2,000 towards the loan over two years. So there's nothing in the way the account was handled or maintained that supports Ms M's recollection of events.

Looking at everything, I can't see that Ms M cancelled the loan agreement within the 14-day cooling off period. As a result, I don't think Career Finance has done anything wrong in collecting and requesting payments from her in line with the agreement.

my final decision

For the reasons set out above, I don't uphold Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 19 March 2018.

Ben Jennings
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