

complaint

Mr B complains that he was mis-sold an online plumbing course when he entered into an agreement with Carnegie Consumer Finance Limited. He says that course wasn't as described and he couldn't afford the monthly payments.

background

In August 2017 Mr B enrolled on an online plumbing course and entered into a fixed sum loan agreement with CCF. The amount of the loan was £7145 with an interest rate of 0%. The monthly payment was £165 for 43 months.

Mr B says the loan was unaffordable and that the salary details used by the representative included overtime so it wasn't his usual income. Mr B says the representative didn't ask for proof of his income. In relation to the course itself, Mr B says he found it challenging because he is dyslexic. He says there was no tutor support. Mr B wants CCF to cancel the loan agreement.

Our investigator didn't uphold the complaint. She said CCF had done enough to check the loan was affordable. She also said the course was an open learning course with helplines available on both weekdays and at weekends. The investigator concluded that the course wasn't mis-sold.

Mr B didn't agree. He said he wanted to cancel the agreement because he felt he'd been pressured into enrolling on the course. He said he didn't intend to continue with the course because he'd lost interest in the subject.

my findings

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

Irresponsible lending

In deciding whether it's appropriate to advance credit, lenders must undertake reasonable and proportionate checks to see if lending is affordable. The checks the lender is required to do depend on several factors including the amount of credit, the level of repayments and the information the customer has provided.

Mr B provided CCF with information about his income. This was used to complete an affordability assessment form. I've looked at the form and I can see that Mr B has signed a declaration at the bottom confirming that the figures on the form show his net monthly salary not including bonus. Because Mr B signed the declaration, CF was entitled to rely upon the information as accurate. The information on the form shows that Mr B's net monthly salary was £1600 with monthly outgoings of £1065. Based on this, I think it was reasonable for CCF to be satisfied that monthly loan payments of £165 were affordable.

I can see that CCF also carried out a credit check. I've looked at this and I'm unable to see anything which would have given CCF any concerns or meant that it should have carried out further checks.

In the circumstances I think CCF carried out reasonable and proportionate checks before agreeing to lend the money to Mr B. Therefore I can't say that the loan was unaffordable.

Misrepresentation of the course

Mr B says the course was misrepresented to him and wasn't what he expected it to be. I can't be certain of exactly what the sales person said to Mr B. But the paperwork provided to Mr B sets out clearly what he could expect from the course. There's nothing to suggest that any of the information in the starter pack was inaccurate. Mr B had 14 days to cancel the agreement if he didn't agree with what was written in the paperwork or if he changed his mind about the course. There's nothing to suggest that Mr B tried to cancel within the cooling off period.

I've taken account of Mr B's comments about a lack of tutor support. He says he didn't receive any contact from the training provider and wasn't encouraged to study. I've looked at the course documents and I can see that this is an open learning course. This means that students are expected to plan their own study. There's no obligation on the course provider to contact students to make sure they are progressing. However, a helpline was in operation for extended hours on weekdays and Saturday mornings. I can see from the information in the starter pack that practical training was provided at the end of each theory module at various geographical locations. Based on this, and bearing in mind that this is an open learning course, I think the course provided has offered a reasonable level of support for students.

I appreciate that Mr B has lost interest in the course but the cooling off period has long since expired and there's no obligation on CCF to cancel the course just because Mr B doesn't want to continue with it now.

For the reasons I've explained I won't be asking CCF to cancel the agreement.

my final decision

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 April 2019.

Emma Davy
ombudsman