

complaint

Mr W complains that Carnegie Consumer Finance Limited (CCF) won't cancel a loan he took out to fund a training course which he says was misrepresented.

background

In 2016 Mr W was interested in doing a training course to get qualifications in a particular trade. The course provider (a third party that I'll refer to as T) sent a salesperson to his home to discuss the course content – and T arranged for Mr W to obtain a loan with CCF to pay for it.

Mr W says the course was misrepresented. He felt pressured to sign the agreements, didn't realise how much the course would cost, didn't receive the training or the qualifications promised and wasn't told about his right to cancel. He has paid back over £3,000 and he wants CCF to write off the balance.

CCF says

- the training was supplied to Mr W under a separate agreement and he hasn't received any qualifications yet because he hasn't completed enough of the course;
- Mr W had the opportunity to consider the course details – including the cost – and the loan terms before he agreed to borrow this money;
- he was told about the cooling off period in the documents he signed and made aware that he had 14 days to cancel if he changed his mind;
- the course wasn't misrepresented – Mr W never complained to T about the training and didn't mention he was unhappy with that when he asked T if he could cancel the course last February; and
- CCF has already paid T for the course so Mr W should pay back the money.

Our investigator thinks the paperwork Mr W signed at the time gave him enough information to decide if he wanted to take out the loan and do the training. He's satisfied it was made reasonably clear to Mr W that he had 14 days to cancel if he changed his mind after signing the agreements. He notes Mr W told T he wanted to cancel because he was struggling to study and work at the same time. He's not persuaded there's been a breach of contract or misrepresentation. And he doesn't recommend the complaint should be upheld.

Mr W doesn't agree. He feels there's been unfair commercial practice in that

- he was put under pressure to sign and told there were limited spaces on the course
- he wasn't told about the cost until the paperwork was in front of him and didn't have the chance to read it properly
- he was rushed into signing as the salesperson said he had another appointment
- he was told he would have some qualifications within a year or so but thinks that was unrealistic due to the amount of study needed at the same time as working
- the salesperson tried to scare him by saying he would be stuck in a minimum wage job without undertaking training and obtaining more skills; and
- the salesperson used tactics like telling him how much more he could earn with the training so he wouldn't question the cost.

Mr W feels he was misled and he asked for an ombudsman to review the complaint.

my findings

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

I can see that Mr W feels strongly about this matter. I have no doubt he's disappointed with his progress on this training course. And I have sympathy for the situation he finds himself in. But, having carefully considered everything both parties have provided, I'm not persuaded I can fairly uphold his complaint and I've explained why below.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Mr W says the salesperson misled him about the course and put him under pressure to agree to the loan and the training. I can't be certain what was said exactly during these discussions. So I've considered the documents Mr W signed at the time carefully – as I think these are likely to provide the best evidence of what was agreed.

I am satisfied the loan agreement sets out the main terms – including the amount of credit – reasonably prominently. Mr W borrowed over £7,000 from CCF and agreed to pay this back at £165 per month over nearly four years. That's a fairly substantial commitment and I'd expect a borrower to consider the paperwork carefully, in this situation.

I appreciate Mr W says he felt under pressure to sign and wasn't given the opportunity to read the paperwork. But, I can see the training agreement has a box marked "important" just above the place where Mr W signed to say he had read and accepted the terms. In this box it says by signing the agreement Mr W was confirming he had been left with a "complete course kit for appraisal" as well as a copy of the loan agreement.

I am satisfied the training contract makes it clear that there's was 14 day "cooling off" period. And if Mr W cancelled the training within that time the loan would be cancelled as well. So I think Mr W was made reasonably aware that he had still had time to cancel after the salesperson left – if he changed his mind and decided he didn't want to go ahead.

Mr W says the salesperson said he'd obtain some qualifications within the first two years. I understand he feels that was an unrealistic prospect now – in view of the amount of studying he'd have needed to do at the same time as carrying on with his day job. But I'm satisfied the training contract Mr W signed expressly states – in the box marked "important" – that it would be up to him to choose "the pace" at which he wanted to work. I think the paperwork makes it clear that progress would depend on how much time the individual student is able to give. And I am not persuaded I can fairly find the course was misrepresented.

Taking everything I've seen into account, I don't think there are sufficient grounds to reasonably find there's been a breach of contract or misrepresentation here. I'm sorry to disappoint Mr W. I know this isn't the outcome he wanted. But, I'm unable to require CCF to cancel this loan or provide a refund and I'm not going to uphold this complaint.

my final decision

For the reasons I've given, my decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 February 2019.

Claire Jackson
ombudsman