

complaint

Mr L complains that Carnegie Consumer Finance Limited won't let him withdraw from a loan agreement he made with them to fund a training course.

background

Mr L signed up for a training course in February 2017 and funded the course through a loan he agreed with Carnegie Consumer Finance Limited (Carnegie). He submitted his first assignment in March 2017. But in April he told Carnegie that he didn't want to continue with the course when they rang him to chase the first instalment on his loan. Mr L says he believed he could cancel the course at any time.

But Carnegie said that Mr L had signed an agreement with them and had committed to repay the loan. They said he had a 14 day *"cooling off period"* but as he hadn't cancelled the agreement in this timeframe, it was clear the instalments were now due.

Mr L wasn't happy with their response so he referred his complaint to this service. But the investigator agreed with the business. He was content that the agreement Mr L had signed, clearly explained his rights to cancel and that, as Mr L hadn't done so within the correct timescales, he agreed that Mr L was bound by it.

But Mr L disagreed and asked for an ombudsman to make a decision.

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 know it will disappoint Mr L but I agree with the investigator's view on this complaint. I'll explain why.

The fixed sum loan agreement that Mr L signed on 20 February 2017 clearly set out what needed to be paid and when the payments were due. It also explained that Mr L had a right to cancel the agreement within 14 days if he changed his mind. This is called a *"cooling off period"*. The agreement also clearly explained that if Mr L didn't withdraw within the cooling off period, he was bound by the agreement and all instalments must be paid.

Mr L didn't withdraw within the cooling off period and he submitted his first assignment. It was only after this that he chose to withdraw and it's clear, from the contract that he signed, that if he withdrew at this point he agreed to pay all instalments of the loan agreement.

I therefore don't think that Carnegie has done anything wrong here and I'm not ordering them to take any further action.

my final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 February 2018.

Phil McMahon
ombudsman