

## **The complaint**

Mr N has complained about a training course he paid for using a fixed sum loan agreement with Caledonian Consumer Finance Ltd (CCF).

## **What happened**

The circumstances of the complaint are well known to the parties, so I won't go over everything again in detail. But, in summary, Mr N entered into a fixed sum loan agreement with CCF in December 2019 to pay for a training course. The course cost £7,800 and Mr N paid a £60 deposit. He was due to make monthly payments of £180 for 43 months.

I'll summarise the complaint points I can see Mr N made:

- When being sold the course, he was told the tutors would be supportive and available to help. But this wasn't true as they weren't always available.
- He wasn't told how much self-learning the course consisted of.
- He was mis-led about how flexible the course was.
- He was misled about how supportive CCF would be if he needed to discuss payments.
- The lack of support affected his mental health.
- The laptop he used was very old and took a long time to load. Sometimes he had to use his own device and he ran out of data.
- The course moved from in person to online, but this wasn't discussed when the course was sold.
- When Mr N was near the end of his course he was suddenly logged out and he was asked to pay £400 to continue it.
- There were other companies offering the same course at a more affordable price.

CCF responded to the complaint saying, in summary:

- It's not the course provider and it wasn't present at the point of sale. But the course provider said all its agents are trained. And that the paperwork supplied to Mr N gave him clear information about what could be expected from the course and the fixed sum loan.
- Mr N had a 14-day cooling-off period if, after having reviewed the information, he wanted to change his mind.
- It did offer Mr N support in 2020 when he asked for help because of the impact of Covid-19 on his employment. It gave Mr N a six-month payment holiday and explained it could offer him a reduced payment plan should he require it. It also refunded late payment charges.
- It said Mr N had been in regular contact with the tutor team.
- Some of the practical training had moved online as a result of the restrictions in place due to Covid-19.
- The course provider didn't receive a complaint about the quality of the laptop.
- It offered to refund the £400 cost Mr N had to pay to extend the course.

Mr N wasn't happy with the offer and asked the Financial Ombudsman to investigate. In summary, he said:

- The £400 offer wasn't reasonable. He wants his complaint understood. And he requests further compensation due to the impact the matter has had on his life.
- He reiterated the course was mis-sold. The 14-day cooling-off was irrelevant because problems happened afterwards.
- When he asked for help in 2020 the CCF agents weren't empathetic, and that he was told the payment deferrals would impact his credit score.
- He said the customer service from CCF and the course provider in particular was poor.
- He wasn't told the course structure would change.
- He wasn't told there'd be a charge if the course wasn't completed in 3 years.
- He was initially sold this as a weekend course, but this was unachievable.
- He wasn't given the support he was promised. He had to learn himself.
- There were delays when trying to book practical weeks.
- He requested half the course money refunded

One of our investigators looked into things but thought CCF's response to the complaint was broadly fair. She highlighted she was able to consider CCF's response to Mr N's claim. She thought the offer to refund £400 was reasonable. She thought CCF offered support during Covid-19 that she'd expect. She thought it was reasonable the course switched to online as a result of Covid-19. She said Mr N had made good progress with the course. She said she'd not seen the course provider was told about any issues with the laptop. And she didn't think she'd seen enough to say the course was mis-sold.

Mr N didn't agree. He said he was confused why she couldn't consider the service received from the course provider. He said the sale was recorded by the course provider. He said even though CCF gave him payment deferrals it threatened how it would affect his credit score. He said he knows the practical sessions couldn't happen during Covid-19 lockdown, but his term time wasn't paused during that time. The course provider didn't give any other options apart from studying online which didn't suit his learning style. The only reason he was able to progress in the course was due to his workplace. He said he found other students who were also unhappy with the course provider.

As things couldn't be resolved, the complaint has been passed to me to decide.

I decided to write to the parties to set out my thoughts on an aspect of the complaint that hadn't been considered. I noted Mr N mentioned he was concerned about the impact on his credit file when he deferred payments during Covid-19. I contacted CCF about this because I couldn't see it was considered. I also wanted to ask if it had any of the call recordings from the time and whether there was a record of the sale being recorded, given what Mr N had said in response to our investigator's assessment.

After hearing back from CCF, in summary, I said:

- CCF said the sales meeting was carried out in person in December 2019 and there are no recordings to submit. So it'll be difficult to know exactly what was spoken about, but I will take Mr N's comments on board when issuing a decision.
- CCF doesn't have the call recordings available from when Mr N asked to defer payments during Covid-19. I appreciate Mr N is unhappy with how those calls were handled. Again, it will be difficult to reach conclusions about what was discussed or how the calls were generally handled. What I can see though is that CCF was able to give the sort of support we'd expect during that time – which is when it allowed Mr N

to defer 6 payments. This is in line with the Financial Conduct Authority (FCA) guidance around that time for customers whose finances had been impacted by Covid-19.

- I asked CCF whether Mr N's credit file was negatively impacted during the time he deferred payments as a result of Covid-19. I think Mr N may have asked for help prior to the FCA guidance being released. But I wanted to make sure his credit file hadn't been impacted because the FCA's intention (when the guidance came into effect) was that customers' credit files wouldn't be worsened if they took payment deferrals.
- CCF explained that Mr N had (two separate) three-month payment deferral periods applied to his account and there was a gap of several weeks between the 1<sup>st</sup> and 2<sup>nd</sup> deferral. It said there was a missed payment recorded before he applied for the second deferral. But it offered to remove this for him given the circumstances. Overall, I thought that's fair of it. I don't have grounds to ask it to do more with regard to the credit file.

CCF didn't have anything further to add. And I can't see we received a response from Mr N.

### **What I've decided – and why**

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

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Mr N and CCF that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Mr N paid for the course using a fixed sum loan agreement. This is a regulated consumer credit agreement, and our service is able to consider complaints relating to these sorts of agreements.

I take into account the relevant law. So, in this case, section 75 of the Consumer Credit Act 1974 makes CCF responsible for a breach of contract or misrepresentation by the course provider under certain conditions. I think the necessary relationships between the parties exists and the claim is within the relevant financial limits.

The Consumer Rights Act 2015 (CRA) is also relevant to this complaint. The CRA implies terms into the contract that services will be carried out with reasonable skill and care. The CRA also sets out what remedies are available to consumers if statutory rights under a services (or goods) contract are not met.

It's important to note that I'm not considering a complaint against the course provider. I'm considering a complaint against CCF. So I have to consider CCF's obligations as a provider of financial services – in this case its liability for breach of contract or misrepresentation under section 75.

As a starting point, like our investigator pointed out, I'm only able to consider the complaint that CCF has already had the chance to consider. I also want to set out that I appreciate Mr N has said other students have complained about the course. But I need to look into the individual circumstances of Mr N's complaint. Moreover, I appreciate Mr N thinks he overpaid for the course. But I don't have the grounds to say that the price of the course was unfair. Mr N knew he was paying £7,800 for the course and agreed to that price.

As I've set out to the parties, the recording of the sale isn't available so it's hard to reach firm conclusions on what was discussed. Mr N says he was misled about the course, whereas CCF has said Mr N was supplied sufficient information about the course with the paperwork provided. I've reviewed the paperwork.

It seems that Mr N was unhappy he wasn't given as much support as he was promised. He's said the tutors, for example, weren't always available. But I've not been supplied sufficient evidence that Mr N didn't receive support and that there was a breach of contract as a result of that. I note in the important information section of the registration document it says that tutor support is not assumed but is optionally available. It says Mr N confirmed to say he was left with a complete course kit, including the study guide and plan of the course. And that he understood the open learning nature of his self-study program. Mr N hasn't shown us a term that's been breached with regards to the level of self-learning or the flexibility of the course. Nor has he shown us a term that's been breached with regards to the issues he says he had with his laptop. I can't just uphold the complaint because Mr N says he was unhappy with the course. I'd need to see sufficient evidence CCF is liable for a misrepresentation or a breach of contract.

Overall, I appreciate Mr N was unhappy with elements of the course. I think some of the things he was unhappy about might be subjective. But when considering CCF's liability – I need to specifically look at whether the service wasn't carried out with reasonable care and skill, or whether express terms in the contract have been breached. I also need to consider whether there's evidence something was misrepresented to him. I do understand that can be hard to prove, and I hope Mr N doesn't think I've not put any weight on what he's said, because I have. But in order for me to direct CCF to take action, I'd need sufficient supporting evidence to start with. And based on what I've seen, I've not been supplied sufficient evidence to say CCF needs to take action in relation to a breach of contract or misrepresentation.

Mr N has also complained about the support offered during Covid-19. I'm sorry to hear he thought the agents were rude. I've not been able to obtain the relevant call recordings. But I have to bear in mind CCF gave Mr N six months of payment deferrals. I think this was reasonable, and in line with the guidance from the FCA for customers whose finances had been impacted by Covid-19. I think it also offered to help Mr N if he was unable to restart making payments after the deferral, which seems fair. CCF said it recorded a missed payment between the time of the two sets of three-month deferrals. But it's offered to remove this from his credit file. I think this is fair in all the circumstances, and I'm not going to direct it to do more in relation to the way it handled things during Covid-19.

I can understand Mr N was unhappy the course moved online, and that this wasn't ideal for him. But if the government restrictions meant that the courses had to be moved online, I don't find this to be an unreasonable alternative that CCF offered.

Finally, I can understand Mr N was unhappy he was asked to pay £400 to extend the course. I think the terms relating to the length of the course could have been clearer. But CCF has offered to refund Mr N £400. I think this is fair in all the circumstances.

While I'm sorry to hear Mr N was unhappy with the course, I'm pleased to see he's progressed with it. For the reasons given above, I've not got the grounds to direct CCF to do more than it's already offered.

**My final decision**

Caledonian Consumer Finance Ltd offered Mr N £400 and to remove the adverse information on his credit file during the payment deferral period, and I think this is fair in all the circumstances.

To the extent it's not done so already, it should pay Mr N £400 and remove the adverse information.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 December 2023.

Simon Wingfield  
**Ombudsman**