

Refund or not?

After withdrawing from a training programme and proposed investment, the customers sought a refund.

Background

In 2017, Mr and Mrs C* liaised with a financial service provider. They sought advice on how best to manage their life savings, which were considerable. The provider discussed investment options, arranged an investment opportunity and enrolled them in a financial training programme. In return for investing their life savings in shares with one of the discussed companies, the couple's training fees would be reimbursed.

Over the coming months, a series of events transpired which led Mr and Mrs C to lose trust and confidence in their provider. The customers no longer wanted anything to do with the provider. They elected to end the investment opportunity and to no longer proceed with the training programme. The provider arranged for their investment to be returned to them, however he refused to refund the training programme fees. The customers engaged a lawyer to assist them in pursuing their refund request.

In 2019, the dispute was still ongoing. The customers got in touch with Financial Dispute Resolution Service seeking a refund.

Next steps

Financial Dispute Resolution Service began gathering information from all the parties involved.

The provider distanced himself from the complaint. He believed their dispute was with the company they arranged to invest in, rather than with him. He reasoned that he had provided them with all the training materials and that they had participated in the programme for three months before things soured.

Mr and Mrs C alleged that improper and unprofessional conduct had taken place, as well as having received misleading advice when introduced to the investment opportunity. They believed they were owed a refund with interest and costs for pursuing their complaint.

Adjudication

An independent adjudicator was appointed. The adjudicator considered whether the provider was correct to decline the reimbursement of training programme fees.

He found no evidence of improper conduct by the provider.

The adjudicator found that the terms and conditions of their initial contract were clear – the training programme fees were non-refundable. While a variation of the contract was drafted which would have waived these fees as part of their investment, this variation did not apply as the investment did not proceed. Therefore, the initial contract stood, and no refund was applicable.

Outcome

The complaint was not upheld. The adjudicator found that the financial provider was not obliged to reimburse the fees.