



Civil Resolution Tribunal

Date Issued: November 28, 2025

File: SC-2024-007589

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *Obermann v. Spring Financial Inc.*, 2025 BCCRT 1669

B E T W E E N :

DANIAL OBERMANN

APPLICANT

A N D :

SPRING FINANCIAL INC.

RESPONDENT

REASONS FOR DECISION

Tribunal Member:

Peter Mennie

INTRODUCTION

1. This dispute is about interest payments under an unusual credit arrangement. The applicant, Danial Obermann, applied for a loan from the respondent, Spring Financial Inc. Spring Financial declined his application, but enrolled him in another type of loan called the “Foundation”. Under the Foundation, Mr. Obermann received

no money but was required to pay interest on a \$5,000 loan. Spring Financial says the purpose of the Foundation is to help build a person's credit score.

2. Mr. Obermann says he never agreed to sign up for the Foundation. He also says that he tried to cancel multiple times. He claims \$5,000 for one interest charge, non-sufficient funds (NSF) fees charged by his bank, higher borrowing costs, and emotional distress. Mr. Obermann is self-represented.
3. Spring Financial says Mr. Obermann agreed to the terms of the Foundation. It says Mr. Obermann refused to follow the cancellation process so it was permitted to withdraw money from his account. Spring Financial is represented by a lawyer, Joyce Pong.
4. For the reasons below, I partly allow Mr. Obermann's claims and order Spring Financial to refund \$70.53 it charged Mr. Obermann and compensate him for \$100 in NSF fees.

JURISDICTION AND PROCEDURE

5. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under *Civil Resolution Tribunal Act* (CRTA) section 118. CRTA section 2 states that the CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly.
6. CRTA section 39 says the CRT has discretion to decide the hearing's format. I find that an oral hearing is not required in this case. The background facts are largely undisputed and Spring Financial provided transcripts of the parties' phone calls. I find that I can fairly resolve this dispute on the parties' written evidence and submissions.
7. CRTA section 42 says the CRT may accept as evidence information that it considers relevant, necessary, and appropriate, whether or not the information would be admissible in court.

8. Under CRTA section 48(1), the CRT may make an order on terms and conditions it considers appropriate.
9. Mr. Obermann's submissions refer to non-existent or inapplicable cases and legislation. I find it likely that these are "hallucinations" where artificial intelligence generates false or misleading results. In *AQ v. BW*, 2025 BCCRT 907, a CRT vice chair decided that their obligation to provide sufficient reasons did not require them to address arguments with no basis in law. I agree with this reasoning. While I have reviewed all of Mr. Obermann's submissions, I have only addressed what is relevant in my decision below.

Human Rights Claim

10. Mr. Obermann's submissions allege that Spring Financial breached the *Human Rights Code* by failing to accommodate his disability. However, he did not raise this issue in his Dispute Notice and provided no evidence about how he is disabled.
11. CRTA section 11(1)(a) says I may refuse to resolve a claim where it would be more appropriately resolved through another dispute resolution process. While the CRT has limited jurisdiction to apply the *Human Rights Code*, it generally will not resolve a human rights claim unless it overlaps with an area where the CRT has its own specialized expertise, such as strata property claims.
12. Given the lack of supporting evidence about Mr. Obermann's disability, I find it would be more appropriate for the BC Human Rights Tribunal to adjudicate his human rights claim. So, I refuse to resolve any claim Mr. Obermann may have under the *Human Rights Code*.

Jurisdiction

13. Mr. Obermann asks for an order that Spring Financial stop all reporting to credit bureaus. He also asks for an order that Spring Financial revise their cancellation process to ensure it is clear and accessible. These are claims for injunctive relief, which are orders to do something or to stop doing something. CRTA section 118

says the CRT may only order injunctive relief in limited circumstances which I find do not apply here. So, under CRTA section 10(1), I refuse to resolve this claim because it is outside the CRT's jurisdiction.

14. Mr. Obermann also asks for an order that Consumer Protection BC investigate Spring Financial for misleading and unfair business practices. Again, I have no jurisdiction to make this order and refuse to resolve it under CRTA section 10(1). Nothing in this decision prevents Mr. Obermann from making a complaint to Consumer Protection BC.

ISSUES

15. The issues in this dispute are:
- a. Was Spring Financial permitted to charge Mr. Obermann under the Foundation agreement?
 - b. If not, what are Mr. Obermann's damages?

EVIDENCE AND ANALYSIS

16. In a civil proceeding like this one, Mr. Obermann, as the applicant, must prove his claims on a balance of probabilities. I have read all the parties' submissions and evidence but refer only to the evidence and argument that I find relevant to provide context for my decision.
17. The parties agree that Mr. Obermann applied for a loan from Spring Financial. Neither party provided a copy of his initial loan application. Spring Financial says that Mr. Obermann's application was declined, so it offered him the Foundation as an alternative to help him improve his credit score.
18. Mr. Obermann electronically signed the Foundation's agreement. Under this agreement, Spring Financial would provide a \$5,000 loan to Mr. Obermann,

however, it kept the entire amount as security. Mr. Obermann was required to make bi-weekly interest payments at an annual 18.99% interest rate.

19. Mr. Obermann says that he did not understand the terms of the Foundation when he signed the agreement. He relies on the *Business Practices and Consumer Protection Act* (BPCPA). BPCPA section 5(1) says that a supplier, meaning a business supplying consumer goods or services such as Financial Spring, must not engage in a deceptive act or practice. BPCPA section 4(1) says that a "deceptive act or practice" includes a representation that has the capability, tendency, or effect of deceiving or misleading a consumer. BPCPA section 171 says the CRT may order damages for a breach of the BPCPA.
20. Spring Financial says that its online loan application process clearly states that consumers will not receive upfront financing with the Foundation. However, it provided no evidence, such as screenshots, of its website or online application process. BPCPA section 5(2) says that the onus is on Spring Financial to prove that it did not engage in a deceptive act or practice. Spring Financial provided no documentary evidence to meet this onus.
21. On the evidence I have, I find that enrolling Mr. Obermann in the Foundation was a deceptive act. The Foundation agreement said "Total Loan Amount: \$5,000". A reasonable person would read this and assume they would receive a \$5,000 loan. Buried in the fine print, the agreement said that Spring Financial will hold the "Security Contributions" which includes the Total Loan Amount. The effect of the agreement is to mislead the consumer into entering an agreement where they pay interest on a loan they do not receive.
22. If I am wrong about the application of the BPCPA, then I find that Mr. Obermann cancelled the Foundation before any interest payments were due. The Foundation's agreement said that Mr. Obermann could cancel the agreement at any time provided there were no interest or NSF fees outstanding. Spring Financial's payment schedule says the first payment was due April 3, 2024. Its call transcripts show that, on April 2, 2024, Mr. Obermann called Spring Financial and said twice

that he did not want Spring Financial to take money out of his bank account. Mr. Obermann hung up when the agent said he needed to speak to a different department which was closed for the day.

23. Spring Financial argues that Mr. Obermann did not follow its cancellation procedure by contacting the correct department, so he never cancelled the Foundation. I disagree. Nothing in the agreement required Mr. Obermann to follow any set procedure. Mr. Obermann communicated his cancellation to Spring Financial before any interest charges were due. I find that the agreement was cancelled at that point and Spring Financial had no right to withdraw money from Mr. Obermann's account.
24. It follows that Spring Financial was not permitted to withdraw \$70.53 on May 29, 2024, from Mr. Obermann's account. So, I order Spring Financial to pay Mr. Obermann \$70.53.
25. Mr. Obermann also asks for repayment of 2 NSF charges he paid because Spring Financial tried to take money out of his account. In the call transcripts, he said these were \$50 each. Though he did not provide account statements, Spring Financial does not deny this and I accept that these are reasonable NSF charges. So, I order Spring Financial to pay Mr. Obermann \$100.
26. Mr. Obermann also claims damages related to higher borrowing costs. However, he provided no evidence about additional amounts he borrowed or how Spring Financial's actions affected his credit score. So, I find this claim unproven and order no damages for higher borrowing costs.
27. Finally, Mr. Obermann claims damages for emotional upset. I find that he is seeking mental distress damages. However, there must be an evidentiary basis to support a claim for mental distress damages. This means Mr. Obermann must provide some sort of evidence demonstrating a serious and prolonged disruption that went beyond ordinary emotional upset or distress. See: *Lau v. Royal Bank of Canada*, 2017 BCCA 253 and *Saadati v. Moorhead*, 2017 SCC 28. Mr. Obermann provided no evidence here, so I find this claim is unproven as well.

28. The *Court Order Interest Act* applies to the CRT. Mr. Obermann is entitled to pre-judgment interest on the \$70.53 from May 29, 2024, the date Spring Financial withdrew this money to the date of this decision. Based on the call transcripts, Mr. Obermann's \$100 NSF fees were incurred on or before May 29, 2024, so I will award pre-judgment interest on this amount from May 29, 2024 to the date of this decision. In total, Mr. Obermann is entitled to \$10.06 in pre-judgment interest.
29. Under CRTA section 49 and CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. However, neither party paid CRT fees or claimed any dispute-related expenses in this case.

ORDERS

30. Within 30 days of the date of this decision, I order Spring Financial to pay Mr. Obermann a total of \$180.59, broken down as follows:
- a. \$70.53 for the money taken from Mr. Obermann's account,
 - b. \$100 for Mr. Obermann's NSF fees, and
 - c. \$10.06 in pre-judgment interest under the *Court Order Interest Act*.
31. Mr. Obermann is entitled to post-judgment interest, as applicable.
32. This is a validated decision and order. Under CRTA section 58.1, a validated copy of the CRT's order can be enforced through the Provincial Court of British Columbia. Once filed, a CRT order has the same force and effect as an order of the Provincial Court of British Columbia.

Peter Mennie, Tribunal Member