

B.C. Supreme Court enforces training bond agreement – rejects duress

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Organizations in the aviation industry often use training bond agreements when providing training to employees. Training costs can often be prohibitive if the employee is required to pay such costs up front. Training bond agreements will generally operate to have the employer pay the costs of training on behalf of the employee, and then recoup those costs from the employee over time in smaller amounts that are more manageable for the employee. The employer obtains the benefit of having properly trained employees, while the employee obtains the benefit of the training which is often transferrable. A recent decision of the Supreme Court of British Columbia considers the enforceability of such training bond agreements.

In [Langford v. Carson Air Ltd.](#) (August, 2015), the employee was hired in August of 2012. The employment contract set out a probationary period of six months and was accompanied by a Training Bond Agreement. The Training Bond Agreement estimated the cost of training to be \$25,000 and contained the following clause to deal with early termination of the employment agreement:

The Trainee agrees that in the event he/she resigns or his/her employment is terminated by Carson Air Ltd. prior to full repayment of the monies owing, the balance owing shall become due and payable in full on the regular payroll pay date immediately preceding the Trainee's last day of work. In either event of resignation or termination, the Trainee irrevocably authorizes Carson Air Ltd. to deduct monies owing hereunder from any wages, other compensation (e.g. vacation, per diems, etc.) or expenses otherwise owing by Carson Air Ltd. to the Trainee.

The employee underwent training paid for by Carson Air upon the commencement of her employment. Towards the end of her probationary period she was terminated on the basis that she was not suitable for the organization. The employee commenced an action against Carson Air Ltd. which included claims of discrimination, breach of contract, harassment, wrongful dismissal and defamation. The employer asserted that the termination was justified and counterclaimed for the costs of training. The employee denied liability for the costs of training and claimed that she entered the training bond agreement under duress.

At trial, the Court dismissed all of the employee's claims and allowed Carson Air's claim for the costs of training. It noted that the employee could not establish that she signed the training bond under duress. Instead, she had signed similar training bonds in the past. The court found that the employer did not pressure the employee to sign the bond, and in fact made it clear to the employee that she need not sign the bond immediately and could seek legal advice prior to signing. Based on these facts, the Court enforced the terms of the Training Bond Agreement and allowed the employer's claim.

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