

## The complaint

Mr G has complained that Bridgewater Support Solutions Ltd (trading as DFH Financial Solutions) didn't administer his debt management plan properly.

## What happened

Mr G started a debt management plan through DFH in late 2021. According to DFH, he only made 6 of the 15 scheduled payments, and only 4 of those were for the right amount. In late 2022, Mr G declined to do a review, and DFH explained that it couldn't continue the plan if it couldn't confirm that the payments were sustainably affordable. Mr G still didn't do a review, so DFH terminated the plan.

Mr G has complained about the plan's closure. He also felt DFH misled him about its length and cost, and he said his creditors told him DFH didn't communicate with them sufficiently. DFH has acknowledged our service's correspondence but has not responded.

Our investigator looked into things independently and didn't uphold the complaint. Mr G didn't agree, so the complaint's been passed to me to decide.

I sent Mr G and DFH a provisional decision on 19 September 2023, to explain why I thought the complaint should be partially upheld. In that decision, I said:

*From what Mr G has given us, it looks like DFH did clearly set out the plan's estimated length and cost. And it made it clear this was an estimate based on what Mr G had told them and based on him making all the proposed payments. As I understand, Mr G did not make all his payments and he tried to reduce the amount he paid – so of course that would mean his plan would take longer.*

*DFH also set out that it would need to review things with Mr G every so often to make sure the payments were sustainably affordable, which seems reasonable. And its terms stated that DFH may terminate the agreement if Mr G repeatedly broke the agreement, failed to make his payments, or if it wasn't able to review the plan with him. It doesn't seem to be in dispute that Mr G missed payments and didn't complete the required review. So it seems reasonable that DFH closed the plan. It was required to give Mr G at least two weeks' notice before doing so, and it looks like it gave him more than three weeks' notice.*

*It is currently unclear how well DFH communicated with Mr G's creditors, whether it negotiated on his behalf appropriately, and whether it took the right amount of fees and passed on the right amounts to his creditors. Apparently, Mr G's creditors felt DFH had minimal communication with them. In its final response letter, DFH said it ran the plan appropriately. But neither side have provided any evidence which substantiates this either way. For example, DFH hasn't provided its contact with Mr G's creditors, nor any evidence of what it did with Mr G's money. And the onus is on DFH to evidence that it administered the plan to the proper standard.*

*I'm not sure why DFH has chosen not to engage with our service, as from what it said in its final response letter, it sounds like it may be possible for it to evidence its side of things. But it has so far chosen not to defend itself, and so I don't have sufficient evidence to be reasonably satisfied that it provided the service Mr G paid for to the standard required. It follows that based on the evidence I have so far, I cannot fairly or reasonably conclude that DFH administered Mr G's plan appropriately overall.*

*Since I am not currently satisfied that DFH provided the full service paid for to the quality required, I currently think it should refund the fees it took. I also plan to direct it to refund any amounts it was supposed to pass onto creditors and didn't, just in case it failed to pass on any particular payments. And I plan to direct DFH to add simple interest onto those refunds, at the rate of 8% simple a year, to compensate Mr G for the time he was without that money. This is the same rate the courts use in situations like this.*

*I understand that Mr G has faced further financial trouble such as CCJs and a worse credit score. But DFH did warn him that the plan might have severe consequences for his credit file and that it couldn't guarantee his lenders would not take legal action. And even if DFH had done everything perfectly right, as Mr G did not make his agreed payments and did not review things with DFH, the plan would have failed anyway due to his own actions and he would still have most likely faced much the same consequences. So I must keep in mind what Mr G is responsible for as well. I do not currently plan to award any compensation in addition to the refunds and simple interest.*

I said I'd consider anything else anyone wanted to give me – so long as I received it before 3 October 2023. Mr G accepted the provisional decision. DFH didn't reply.

### **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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **Putting things right**

I direct Bridgewater Support Solutions Ltd to:

- Refund the fees that Mr G paid;
- Refund any amounts which it was supposed to pass onto Mr G's creditors but did not; and-
- Pay simple interest to Mr G on the above, at the rate of 8% simple a year, payable from the date each fee was charged and the date of each payment it missed until the date they're refunded<sup>†</sup>;

<sup>†</sup> If DFH considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mr G how much tax it's taken off. It should also give Mr G a tax deduction certificate if he asks for one. Mr G may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

**My final decision**

I uphold Mr G's complaint in part, and direct Bridgewater Support Solutions Ltd to put things right in the way I set out above.

If Mr G accepts this final decision, Bridgewater Support Solutions Ltd must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 November 2023.

Adam Charles  
**Ombudsman**