

The complaint

Miss L complains Frasers Group Financial Services (Frasers) provided poor service, leading to delays in setting up a debt management plan (DMP) for her.

What happened

In October 2023, Miss L opened a running credit account with Frasers.

In February 2024, Miss L told Frasers she was in financial difficulty and that a debt charity (which I'll call "D") was helping her. With D's help she agreed a repayment plan, under which D would send a payment proposal to her creditors, including Frasers, together with a letter of authority (LoA) so the DMP could be set up.

D later told Miss L it had sent a payment proposal to Frasers in February 2024. But Frasers said it never received it. Over the following months it contacted Miss L for updates about her situation, and on 1 July 2024 it emailed Miss L to let her know that it still hadn't received a payment proposal or LoA from D, and that it would need these documents to set up a DMP.

After Miss L asked D to resend the payment proposal and LoA, she received an email from D on 5 July 2024 confirming it resent the payment proposal to Frasers. She forwarded a copy of this email to Frasers the same day.

Some months later Frasers asked Miss L to provide an LoA, which she did. But Frasers then wrongly told Miss L it still hadn't received the LoA and didn't confirm the DMP had been set up until the end of October 2024.

In its final response, dated 28 October 2024, Frasers accepted it had in fact received the LoA Miss L sent. It upheld her complaint about the service she'd received, but it didn't offer compensation. Our investigator thought Frasers' errors caused Miss L material distress and inconvenience, so he recommended that Frasers pay her £100.

Miss L says Frasers' poor service started in February 2024 and, if not for that, her DMP would have been set up sooner. As she didn't think our investigator's view fairly accounted for this, the complaint has been passed to me for a decision.

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.

This includes the relevant laws, regulations, guidance and standards, codes of practice and good industry practice. And where it's unclear what's happened, my conclusions are based on what I think is most likely to have happened given the information available.

I've summarised the complaint in my own words and I'm not responding to every argument. No courtesy is intended by this. Our rules allow me to do this given the informal nature of

our service. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I only need to focus on the key points to reach what I think is a fair outcome.

The key issue for me to consider is whether Frasers provided poor customer service in relation to setting up Miss L's DMP, and what impact any poor service had on her.

Customer service between February 2024 and July 2024

On 9 February 2024, Miss L told Frasers she was sorting out her finances with D. She then emailed Frasers on 13 March 2024 to confirm she agreed a repayment plan with D. From this date, Frasers should reasonably have expected to receive a payment proposal from D.

Given D is a well-known debt charity, I think it's likely Frasers would reasonably have assumed such payment proposals are accompanied by an LoA. On receipt of a payment proposal and LoA from D, Frasers would have been able to set up the DMP.

The difficulty here is Frasers never received D's payment proposal. I appreciate D emailed Miss L on 23 February 2024 to confirm it had sent a proposal to Frasers. But as I don't have a copy of any proposal from D specifically addressed to Frasers, I'm not persuaded Frasers likely received it. Nor am I persuaded there was anything else at this stage to reasonably prompt Frasers to chase D (or Miss L) for a payment proposal and LoA earlier.

During this period, Frasers kept in touch with Miss L for updates on her circumstances. And on 1 July 2024, it reminded her that it would need a payment proposal and LoA to be able to set up a DMP, once the "breathing space" Miss L had been given for her credit repayments had elapsed. Overall, I don't think Frasers acted unreasonably here.

I'm satisfied Frasers provided adequate service between 9 February 2024 and 1 July 2024.

Customer service issues from July 2024

On 2 July 2024, Miss L emailed D, asking it to send a payment proposal and LoA to Frasers.

D emailed Miss L on 5 July 2024 confirming it had resent the proposal to Frasers. It's not clear if it sent the proposal by email or by letter, as I don't have an addressed copy of the proposal D allegedly sent. I also note the email said it could take 21 days for a proposal to arrive if sent by post, or 7 days if sent electronically.

Regardless of whether D sent the proposal, I'm not persuaded it contained an LoA because of what D said in its confirmation email to Miss L dated 5 July 2024.

In the email, D said the proposal it sent Frasers contained an offer to pay around £5 per month towards Miss L's debt, a copy of Miss L's budget, and a request to stop interest and charges on Miss L's account. D doesn't say the LoA was attached. So on balance of probabilities, I think it's unlikely Frasers was in possession of a copy of an LoA at this stage.

On 5 July 2024, Frasers emailed Miss L confirming it would chase D for the documents if it hadn't heard from D within 30 days. On 1 August 2024, Frasers received a payment proposal from D, suggesting it was originally posted to Frasers on around 5 July 2024 and had simply taken some time to arrive. However, Frasers noted the proposal didn't contain an LoA and immediately asked D for a copy of an LoA. But as D hadn't sent a copy of an LoA to Frasers by 3 September 2024, Frasers contacted Miss L directly for a copy on this same day. Miss L posted an LoA to Frasers on 16 September 2024.

I appreciate it took some time between July 2024 and September 2024 for Frasers to ask Miss L for an LoA. But given Frasers had been in contact with D, her appointed representative, for a copy of an LoA at the time, I don't think the delays were a result of Frasers action (or inaction), but rather due to events outside its reasonable control. I find Frasers acted fairly and reasonably within this period.

That said, I can appreciate Miss L was likely stressed over how long things were taking, and Frasers unnecessarily added to Miss L's distress when, on 16 October 2024, it incorrectly told her it hadn't received the LoA, despite her sending it an LoA a month earlier.

Additionally, on 17 October 2024, Miss L emailed Frasers, asking it to tell her how to provide further details about what had happened. It appears Frasers didn't reply. It took Frasers until 28 October 2024 to confirm it had Miss L's LoA and confirm the DMP had been set up.

In summary, between September 2024 and October 2024, I consider Frasers' poor service had materially contributed to the delays in setting up a DMP for Miss L. This resulted in her having to deal with unnecessary further communication and uncertainty.

Putting things right

Compensation isn't an exact science, but in deciding what's fair I've considered the guidance on our website and the circumstances here.

Miss L's personal circumstances meant she was vulnerable and more susceptible to the impact of poor service than the average person. Taking this and all the above into account, I agree with our investigator that £100 is a fair reflection of the distress and inconvenience Frasers' poor service caused her.

My final decision

My decision is that I uphold this complaint and direct Frasers Group Financial Services (Frasers) to pay £100 for the distress and inconvenience its poor service caused Miss L.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 23 December 2025.

Alex Watts
Ombudsman