

## **complaint**

Miss M complains that Keith Meredith (trading as New Start Financial Solutions Limited) made an error in administering her debt repayment plan resulting in a debt not being settled.

## **background**

Miss M entered into a debt management plan with New Start in 2012. She complains that a debt which she settled is still regarded by Cabot as being outstanding. Miss M has disputed the status of the debt since 2013. She's provided evidence to Cabot that the debt was settled but Cabot rejected this and said it related to a different account.

Under decision reference 2005-7467 I issued a Final Decision explaining why I didn't think that Cabot had done anything wrong.

Miss M says that New Start made an error. She says she made payments of £39.05 towards the debt throughout her debt management plan and she doesn't understand why the payments weren't passed to Cabot. She says that New Start were aware of the Cabot debt because it made two payments to Cabot in early 2013. She says that if the debt wasn't settled from her husband's redundancy money then it should have been included in her debt management plan.

The investigator didn't uphold the complaint. He said the debt had never been part of the debt management plan and that New Start had only included two debts in the plan, a Cabot debt and a Barclaycard debt. The Cabot debt included in the debt management plan was a different Cabot debt to the one which Miss M is being chased for now. The investigator said that New Start had paid £39.05 per month to Barclaycard and £18.95 per month to Cabot. He also said that the Cabot account paid through the debt management plan had a different account reference to the Cabot debt for which Miss M is being chased for now.

Miss M didn't agree so I've been asked to make a final decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss M says that the Cabot loan for which she is now being chased was settled from her husband's redundancy monies. Her position has been consistent since 2013 when she first disputed the outstanding balance with Cabot through New Start. Miss M also says that if the Cabot loan wasn't settled from her husband's redundancy monies then it should have been included in her debt management plan.

Miss M hasn't been able to provide any evidence that the debt was settled with her husband's redundancy monies. She seems uncertain as to whether the debt was actually settled in this way or not. I think that it's reasonable to expect Miss M to know what debts she has settled and what debts remained outstanding when she entered the debt repayment plan. On balance it seems unlikely that the debt was settled with redundancy monies because the debt has been active with BPF since 2008 and through the duration of the debt management plan.

I've reviewed the information provided by New Start and I can see that Miss M asked it to make arrangements with two creditors – BPF and Barclaycard. It's clear now that there were 2 accounts with BPF but it looks as if Miss M only provided New Start with information about one of these. Both BPF debts were sold to Cabot at around the time when the debt management plan came into effect.

I can also see that New Start made payments to Cabot of £18.95 in respect of the debt which it knew about. Cabot was paid throughout the duration of the debt management plan.

I can't fairly say that New Start has done anything wrong if it wasn't provided with correct information about the debt. I don't know exactly what information Miss M gave to New Start or what was discussed but it's possible that Miss M thought that the larger of the BPF debts had been settled from redundancy monies and therefore didn't provide any information about it to New Start. Or it's possible that Miss M simply didn't realise that there were two accounts with BPF.

New Start can only make payments to creditors it's aware of. On the evidence it doesn't look as if New Start were aware that there were two accounts with BPF (subsequently Cabot). Miss M says that New Start must have been aware of the Cabot debt because it made two payments of £39.05 to the account in early 2013. It's not clear why those payments were made, and it's particularly confusing because the instalment of £39.05 was the sum which was agreed with Barclaycard which is a completely separate entity to Cabot. It's possible that the collection company (Marlin/CDCS) to whom New Start distributed the payments allocated the payment of £39.05 to the wrong account. I can't say exactly what happened but it doesn't change the fact that the larger Cabot debt wasn't included in the debt management plan.

I appreciate that this has been a long running and frustrating matter for Miss M. On the available evidence I'm unable to say that New Start has made an error or done anything wrong. New Start has paid the creditors it was instructed to pay by Miss M.

### **my final decision**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 2 August 2018.

Emma Davy  
**ombudsman**