

complaint

Ms H has complained about how Clear View Finance Limited (Clear View) managed her debt management plan. She's concerned that the payments she made were not passed on to her creditors and the fees were never properly explained.

background

Ms H was in a debt management plan with Clear View. They offered to upgrade her agreement and negotiate an improved deal with her creditors. From April 2013, she started to pay them £150 per month. She thought she was paying fees of £35 per month.

She found that her debts were not being reduced as she thought and complained to Clear View. They said that as Ms H had signed the agreement and agreed their terms and conditions, they were not obliged to refund any money to her. She brought her complaint to the ombudsman service.

Our adjudicator felt that Clear View's terms and conditions were not clear. She asked them to refund all of the money that they had not passed on to Ms H's creditors. This amounted to £2,544. She also felt that Clear View should pay Ms H £250 for the inconvenience.

Clear View offered to reimburse Ms H as if she had been paying £35 in monthly fees. Ms H did not accept this offer and therefore this case has been forwarded to me to consider.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I believe the main aspect of Ms H's complaint is whether Clear View properly explained their fees to her. Ms H provided us with a copy of the terms and conditions she received when she entered into the debt reduction plan with Clear View in April 2013. There are four terms about fees and the first two state:

"During the currency of the Debt Reduction Plan the fees, costs, charges and expenses to be paid by the Customer to CV will be taken from the Monthly Payment to be made by the Customer to CV and will never exceed 90% of the aggregate of the Monthly Payments.

During the currency of the Debt Management Plan the fees, costs, charges and expenses to be paid by the Customer to CV will be taken from the Monthly Payment to be made by the Customer to CV and will never exceed 17.5% of the aggregate of the Monthly Payments."

I appreciate that Clear View believes that Ms H agreed a debt reduction plan and therefore signed up to paying fees that could, and indeed did, amount to a maximum of 90%.

However Ms H has told us that she believed she was paying £35 per month. I can see why she believed this. A different copy of an agreement that Clear View sent to Ms H quotes fees would never exceed *"17.5% or £35 whichever is the greater"*.

At a minimum I believe Clear View provided misleading information to Ms H about what fees applied to her agreement. In any case, the agreements also state that Ms H would receive

monthly statements and I have seen nothing to show that she received any statement for the first 15 months of her agreement with Clear View.

Clear View also undertook to negotiate with her two creditors to re-negotiate her debts. I have no reason to doubt that's what she thought was going to happen. In fact Clear View provided templates to her to enable her to query whether her agreements were enforceable. There is no evidence to show that they tried to re-negotiate her debts as they stated they would within the debt reduction plan.

I believe it's fair to conclude that Clear View:

- did not provide clear information to Ms H about the fees that were payable;
- did not fulfil any obligations to re-negotiate her debts; and
- did not show what they did to justify the fees they charged.

I can only conclude that the redress proposed by our adjudicator is fair and reasonable in the circumstances of this complaint. I can certainly see why Clear View's action will have caused Ms H such inconvenience.

my final decision

For the reasons stated above, my final decision is to uphold Ms H's complaint. I instruct Clear View Finance Limited to:

- reimburse £2,544 being the money Ms H paid to them but was never passed to her creditors;
- add 8% simple interest to this amount from the dates that Ms H paid the money to Clear View until the date of settlement; and
- pay Ms H a further £250 for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms H to accept or reject my decision before 11 May 2015.

Sandra Quinn
ombudsman