

complaint

Miss T and her representative are unhappy about the advice she was given by Butler-Do Ltd to enter into a debt management plan. She says it was mis-sold to her and wasn't the appropriate solution for her situation. She'd have been better becoming bankrupt. She wants compensation and to be put back in the position she would've been in if she hadn't entered into it.

background

Our adjudicator felt this complaint shouldn't be upheld. She said:

- Miss T entered into the debt management plan in April 2011. She was sent a letter which confirmed what she'd be paying and the fees. It also said she could transfer onto an individual voluntary arrangement later if she wanted. On balance she'd likely been taken through her various options.
- The compliance statements she was made aware of also said that it couldn't be guaranteed the interest on her debts would be suspended. She was also made aware her accounts would fall into arrears under the plan and her credit rating would be affected.
- Reviews of the plan were also carried out in 2012, 2013 and 2014. At each Miss T was told of her other options. And in 2013 she said she didn't want to choose bankruptcy as an option.
- Considering Miss T's financial circumstances at the time and the level of her debts, the debt management plan doesn't seem an unreasonable option for her.

Miss T's representative doesn't agree and has asked for an ombudsman review. In summary it says Miss T wasn't told, as she should've been, of the free options available to her. Bankruptcy also wasn't discussed.

Butler-Do says Miss T was told about bankruptcy. At the relevant times it wasn't obliged to advise about similar free services.

my findings

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

Some of the evidence in this case is incomplete, inconclusive or contradictory. So, I've made my decision based on what I think is more likely to have happened than not.

I agree with the adjudicator's conclusions for the same reasons. On balance I don't think the debt management plan was mis-sold to Miss T as is suggested or that she wasn't reasonably advised of her options or what it entailed.

Although I recognise Miss T's frustration, taking everything into account I don't think I can fairly or reasonably require a payment of compensation to Miss T as she'd like.

Overall, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 9 September 2016.

Stephen Cooper
ombudsman