

complaint

Mr A and his representative are unhappy about the advice he was given by Debt Release Direct Limited to enter into a debt management plan. They say he wasn't told of other free similar services or of the effect the plan would have on his credit file. He wants to be put back in the position he would've been in if the plan hadn't been mis-sold.

background

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

- Mr A's plan seems to have been passed to Debt Release from a previous company. This wasn't Mr A's first involvement with a plan. So, any impact on his credit file wasn't just caused by Debt Release.
- Even so she'd still expect Debt Release to make the implications of its own involvement clear to Mr A. The terms and conditions he was given by it were sufficient for this purpose. Mr A also didn't maintain the agreed payments which would've had more of a detrimental impact on his credit file than being in the plan.
- Debt Release had referred to free advice services in its correspondence. She can't agree it needed to do anything more.

Mr A's representative doesn't agree and has asked for an ombudsman review. In summary it says he wasn't properly told, as he should've been, of the free options available to him. Debt Release didn't fulfil its obligations.

my findings

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

Taking everything into account 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 Mr A as is suggested or that he wasn't properly advised of his options.

Overall I don't think I can fairly or reasonably require Debt Release to make a payment of compensation to Mr A as he'd like. And 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 Mr A to accept or reject my decision before 9 January 2017.

Stephen Cooper
ombudsman

