

## **complaint**

Miss H complains that Debt Management Associates Limited, trading as Money Village, sold her a debt management plan that wasn't appropriate for her and it didn't manage the plan properly. She says she'd have been better off going bankrupt.

## **background**

Miss H started her debt management plan in September 2007. Money Village took over the plan in 2012. Miss H says she wasn't told about the fees she'd have to pay for the plan, or that she could get free debt advice elsewhere. She also says creditors have told her that payments haven't arrived regularly or on time; some creditors have taken further action against her and kept charging interest.

Nine years on, Miss H is still in debt. If she'd gone bankrupt, she says she'd have been debt-free in 12 months and would have paid far less. She complained to Money Village in late 2015, through a claims management company (CMC).

Money Village said it wasn't responsible for the sale of the plan, because it and the provider Miss H had signed up with in 2007 were separate companies. It said it only took on responsibility for Miss H's plan in July 2012. Since then, it said it had phoned and written to Miss H, but received no reply for more than three years. So it said it couldn't review her plan until September 2015, when it discussed alternative options – including bankruptcy and individual voluntary arrangements (IVAs) – with her representative. Miss H chose to continue with her plan with Money Village. Money Village also said it had made regular payments to Miss H's creditors.

Our adjudicator didn't think Money Village had done anything wrong. She found it wasn't responsible for any advice Miss H was given or how her plan was managed before July 2012. She thought Money Village had tried to review Miss H's plan and, when Miss H finally got in touch with it, it had discussed other options and free services.

Miss H didn't accept that. Her CMC thought the original provider had simply changed its name to Money Village; it was effectively the same company with the same staff, so it should be responsible for its failings under its previous name.

## **my findings**

I've considered all the available evidence and arguments – including the CMC's e-mail of 19 July 2016 and the attachments – to decide what's fair and reasonable in the circumstances of this complaint.

Money Village took on the management of Miss H's debt management plan in 2012. But I'm satisfied that it didn't taken on responsibility for the previous provider's handling of Miss H's plan or the advice the previous provider had given her. The scheme rules the CMC has given us about 'successor firms' come from a different ombudsman scheme, and they simply don't apply here.

So, like the adjudicator, I'm only looking here at what's happened since Money Village took over Miss H's plan. Money Village's records say that it wrote to and tried to phone Miss H a number of times since taking over the plan in 2012 in order to arrange a review, as well as about payment arrangements and missed payments. I think it was very clear from Money

Village's letters that it was keen for Miss H to get in touch to discuss her circumstances – and to see if a debt management plan was still the best option for her.

Those letters also set out how much she was paying for the plan and mentioned free debt-advice services. Eventually, Money Village wrote saying it would cancel Miss H's plan and stop acting for her if she didn't get in touch.

That seems to have prompted Miss H to contact Money Village, and a review was done in September 2015. Money Village's notes of that review say it discussed Miss H's circumstances, told her representative about free debt-advice services, and discussed bankruptcy and IVAs.

I've also seen various letters showing Miss H's creditors accepted the payments she was making through the plan since July 2012, as well as statements Money Village says it sent to Miss H – which included details of the fees she was paying. The plan statements also show that Money Village passed on her payments to her creditors.

I think Money Village tried to – and eventually did – review Miss H's plan with her, and it told her about the options open to her and what the plan was costing her. She chose to continue with it. In all the circumstances, I find I can't fairly require Money Village to pay her any compensation.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 19 December 2016.

Janet Millington  
**ombudsman**