

complaint

Mr and Mrs A and their representative are unhappy about the advice they were given by Harrington Brooks (Accountants) Limited (trading as Harrington Brooks Debt Management) to enter into a debt management plan. They say it was mis-sold to them and wasn't the appropriate solution for their situation. They should've been offered a Debt Relief Order. They're also unhappy about the way the plan was administered. They want compensation and to be put back in the position they would've been in if they hadn't entered into it.

background

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

- Harrington Brooks says it didn't directly sell the debt management plan. This was done through another company's website. Harrington Brooks says that as this was online no advice was given. It just registered interest. That may be the case but it seems that was a broker's site acting on behalf of Harrington Brooks. The details were then passed onto Harrington Brooks and it made an introductory call. He would've expected it to have offered any better options in that call.
- From the information available Mr and Mrs A didn't have a small enough disposable income to qualify for a debt relief order. Even though their debts and assets were within the qualifying amounts.
- There were a number of calls between Harrington Brooks and Mr and Mrs A over a two year period. They confirmed they were happy with the debt management plan. Their financial information was checked and another debt added to the plan.
- Harrington Brooks has done everything he'd have expected it to do for a debt management plan. And one debt has been paid off.

Mr and Mrs A's representative has asked for an ombudsman review. It says Mr and Mrs A were in receipt of a specific named benefit. That shouldn't be taken into account as income. If so it would've been apparent they were eligible for a debt relief order.

The adjudicator responded to say that although this benefit makes up a large proportion of the household income he'd expect to see the costs it should've paid for reflected in the expenditure figure, thereby cancelling it out. Once a benefit is paid the consumer can do what they want with the money.

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 and Mrs A as is suggested or that they weren't properly advised of their options.

Overall I don't think I can fairly or reasonably require Harrington Brooks to make a payment of compensation to Mr and Mrs A as they'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 and Mrs A to accept or reject my decision before 10 October 2016.

Stephen Cooper
ombudsman