

complaint

Miss P has complained that J D Williams & Company Limited, trading as 'Simply Be', unfairly charged her interest and fees on a debt she owed it.

background

Miss P entered into a debt management plan through a third party. She has explained that although Simply Be knew this, it continued to add interest and charges to her outstanding debt. She has also explained that trying to address the matter has added to her costs.

Our adjudicator recommended that the complaint should be upheld, as he wasn't satisfied that Simply Be had treated Miss P fairly.

Miss P agreed with the adjudicator's recommendation, but felt her costs in dealing with the matter hadn't been fully addressed. Simply Be didn't respond. Because of this, the complaint has been passed to me for my final decision.

my findings

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

Industry guidance sets out that customers should be treated with 'forbearance', and positively and sympathetically, when experiencing financial difficulty. One of the ways in which this may be done is to freeze interest and charges.

In this case, it appears that Miss P's debt instead increased significantly. She submitted the following breakdown to this service:

Balance when informed Simply Be of financial difficulty = £304.62

Paid since then = £72.20

Balance when complained to this service = £658.13

Simply Be has not provided me with any evidence that it took Miss P's circumstances into account, or treated her in the way the guidance requires. Having looked at these figures, I am satisfied it did not. Accordingly, it should refund all interest and charges from May 2012, when I understand Miss P informed it of her difficulties. It must also tell the debt collection agency about the reduced debt. It should also update Miss P's credit file to reflect this.

I can also see that Miss P tried to resolve the matter with Simply Be, but to no avail. Further, matters have been delayed as it has not properly engaged with this service. Because of this, I feel Miss P has been caused unnecessary distress and inconvenience, for which I consider £100 compensation to be appropriate.

my final decision

For the reasons given above, it's my final decision to uphold this complaint. I require J D Williams & Company Limited to:

- a) refund all fees and charges from May 2012 onwards, adding 8% simple interest per year to any parts of these that Miss P has paid off, from the date of payment to the date of settlement;
- b) inform the debt collection agency of the reduced amount;
- c) update Miss P's credit file accordingly; and
- d) pay her £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 21 September 2015.

Elspeth Wood
ombudsman