

## **complaint**

Mrs T complains that House & Home Care Limited (t/a Immediate Financial) arranged a debt management plan that was unsuitable for her.

## **background**

Mrs T entered into the debt management plan in November 2011 and agreed to pay £100 per month. Her representative says that other options were not considered and that her ability to make the payments was not properly assessed. It says that a Debt Relief Order would have been appropriate.

The adjudicator did not recommend that the complaint should be upheld. She said that:

- Mrs T was asked detailed questions about her income and expenditure in a telephone call with Immediate Financial and said that a payment of £100 was acceptable.
- Mrs T was asked about her assets, including her car.
- There was information on the website of Immediate Financial about other options.
- Mrs T would not have been eligible for a Debt Relief Order as her monthly disposable income was over £50 and her car was worth more than £1,000.
- No commitment was made that Mrs T's debts would be cleared within two years.
- Immediate Financial has provided the service it said it would.

Mrs T, through her representative, did not agree. In summary, it said that guidance produced by the former Office of Fair Trading on debt management had not been followed. It said that the discussion of expenditure was cursory and that from the outset the focus was on arranging a debt management plan. It maintained that Mrs T's car was either worth less than £1,000 or she could have been advised to wait until it had depreciated or sell it to qualify for a Debt Relief Order. It said that there was no clear information on the website about this latter option.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Immediate Financial says in its final response that it will often refer a client to a free debt advice service if that client does not meet the criteria for a debt management plan. In this case I do not consider that this meant that the plan was necessarily unsuitable for Mrs T.

I note that when Mrs T first called Immediate Finance she said she had already been offered a debt management plan by another business at £80 per month but was unhappy with the related fees. As her representative says, this triggered a discussion about the relative merits of the plan offered by Immediate Financial which required her to pay a minimum of £100 per month. But, I do not agree that her financial circumstances were then not discussed in sufficient detail. I can see that Mrs T apparently made hand written alterations to the summary print out of her financial position before she signed it.

The adjudicator has set out why Mrs T would not have qualified for a Debt Relief Order as her disposable income was over £50 per month and her car was worth more than £1,000.

Whilst I appreciate that there may be some uncertainty over the value of her car, I am not persuaded on the evidence that this alternative would have been appropriate. I can also see no clear assessment provided of the wider implications for Mrs T including of her being placed on the Insolvency Register.

Having listened to the initial telephone call and reviewed Mrs T's circumstances I consider that she understood the terms and conditions of the debt management plan. I am not persuaded that this was not a suitable option for her. I note that Immediate Financial has said that she can close the plan without the usual 60 day termination process.

I appreciate Mrs T will be disappointed by my decision.

**my final decision**

In light of the above, my decision is that I do not uphold this complaint.

Michael Crewe  
**ombudsman**