

## **complaint**

Mr L complains that BCB Solutions Limited (trading as MyClaimsExpert) failed to administer a debt management plan adequately, causing him severe distress.

## **background**

Mr L set up a debt management plan with MyClaimsExpert in July 2011. This was to repay two debts with the same creditor, primarily because Mr L's failing health meant he was unable to deal with these himself. However, Mr L later discovered that his creditor continued to add interest to his accounts, payments were not made and defaults were recorded against him. He says this was because MyClaimsExpert failed to administer his plan properly.

Our adjudicator upheld the complaint. He found that MyClaimsExpert failed to administer Mr L's plan with sufficient care or skill, did not send him adequate information about the plan, failed to make agreed repayments and caused Mr L significant distress and inconvenience. He recommended that MyClaimsExpert refund all fees taken from Mr L (plus interest), refund interest added to one of the debts and pay Mr L £1,000 to reflect the distress and inconvenience this matter has caused him.

MyClaimsExpert did not accept those conclusions so the matter was referred to me for review and determination.

## **my findings**

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

Mr L says that MyClaimsExpert did not set out the total cost of its service, the nature of its fees or explain that creditors were "*not obliged to accept reduced repayments or to freeze interest*". Despite numerous requests from this Service, MyClaimsExpert has failed to provide either a copy of Mr L's agreement or the plan's terms and conditions. As a result, I have seen no evidence that the plan met the requirements of the Office of Fair Trading (OFT)'s debt management guidance.

More seriously, Mr L's main reason for engaging MyClaimsExpert was because he was terminally ill and wanted to remove the stress of dealing with these debts. As it turned out, MyClaimsExpert's handling of the plan increased his stress.

Mr L made regular monthly payments to the plan from July 2011 to July 2012. His creditor agreed, on four separate occasions, to reduce repayments to the debts. Each time, despite having received Mr L's money, MyClaimsExpert failed to make the agreed repayments. This meant Mr L's creditor added interest to one debt at a "*contractual*" rather than a "*hardship*" rate and sent him numerous late payment and default notices, causing him great anxiety.

Instead of addressing its own errors, MyClaimsExpert instead blamed the creditor. It also ignored correspondence from Mr L.

In the circumstances, I find that MyClaimsExpert did not meet the OFT guidance and did not administer Mr L's debt management plan adequately. I find that it should refund all fees

taken from Mr L, plus interest. It should also refund the extra interest charged by Mr L's creditor. The creditor has told us this comes to £72.07.

MyClaimsExpert aggravated the situation in July 2012 by refusing to correspond with Mr L until it received proof of his identity. I find it extraordinary that MyClaimsExpert only asked for this a year after Mr L opened the plan and after he had complained about how the plan was being handled. Furthermore, I find the tone of these requests unnecessarily rude, aggressive and accusatory. MyClaimsExpert has also made a number of unsubstantiated allegations about Mr L to this Service; I find this unacceptable, particularly given Mr L's serious health problems.

Despite its claims to the contrary, I am satisfied that MyClaimsExpert was aware of Mr L's serious ill health. Mr L has provided copies of the medical documents he gave MyClaimsExpert as well as copies of emails to MyClaimsExpert where he set out his health problems. The earliest of these was in July 2011.

MyClaimsExpert says that Mr L *"has been treated professionally and properly at all times"*.

The evidence I have seen says otherwise. I find that MyClaimsExpert's actions have caused Mr L severe distress and inconvenience and are likely to have had a detrimental effect on his (already poor) health. Given its inadequate administration of the plan and failure to treat Mr L reasonably, as well as the time, effort and expenses incurred by Mr L in trying to resolve this matter, I find that MyClaimsExpert should pay Mr L an extra £1,000 to reflect this.

### **my final decision**

My final decision is that I uphold this complaint and order BCB Solutions Limited (trading as MyClaimsExpert) to:

- refund all initial and monthly fees paid by Mr L, plus interest calculated at 8% simple per year from the date each payment was made to the date of settlement;
- refund interest of £72.07 that was added to one of Mr L's debts; and
- pay Mr L £1,000 to reflect the distress and inconvenience this matter has caused him.

If BCB Solutions considers that tax should be deducted from the interest element of my award, it should provide Mr L with the appropriate tax deduction certificate so that he is able to claim a refund if appropriate.

Simon Begley  
**ombudsman**