

## **complaint**

Miss B complains about a debt reduction agreement that she took out with NEO Media Solutions Limited, trading as One Debt Solution. She complains that it did not pay money to her creditors as it had agreed to do and that it did not respond to her concerns satisfactorily.

## **background**

Miss B says that she entered into a debt reduction agreement with One Debt Solution but she does not have a copy of the agreement and One Debt Solution has not provided a copy of the agreement, despite being asked to do so. Miss B made payments totalling £1,500 to One Debt Solution but only £67.59 was paid to her creditors. She asked One Debt Solution to cancel her agreement but she was not satisfied with its response so complained to this service.

The adjudicator recommended that this complaint should be upheld. He concluded that it was more likely than not that the agreement did not comply with the Office of Fair Trading's guidance about debt management issued in September 2008. In particular, he concluded that One Debt Solution did not differentiate between the claims management services and debt adjusting services that were to be provided and it did not ensure that Miss B was fully aware of the potential consequences of the agreement. He recommended that One Debt Solution should refund £1,500, with interest, to Miss B from which £67.59 should be deducted. He also recommended that it should pay £200 to Miss B to compensate her for the distress and inconvenience that she had been caused.

One Debt Solution has not responded to the adjudicator's recommendations.

## **my findings**

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

One Debt Solution was to provide claims management and debt management services to Miss B. Although the agreement is not available, I am satisfied that it is more likely than not that the differences between the two services and the amounts that would be charged by One Debt Solution for those services, were not properly explained to Miss B. On that basis, I consider that the agreement did not comply with the Office of Fair Trading's guidance. I also consider that One Debt Solution did not respond to Miss B's concerns satisfactorily. Miss B paid a total of £1,500 to One Debt Solution but the evidence available to me shows that it only paid £67.59 to her creditors.

I therefore consider that it would be fair and reasonable for One Debt Solution to cancel the agreement (if it has not already been cancelled) and to refund to Miss B £1,432.41 (which is £1,500 less £67.59) with interest. Miss B will undoubtedly have been caused distress and inconvenience by these events and I consider that it would be fair and reasonable for it to pay £200 to her to compensate her for that distress and inconvenience.

**my final decision**

For these reasons, my decision is that I uphold Miss B's complaint. In full and final settlement of it, I order NEO Media Solutions Limited, trading as One Debt Solution, to:

1. Cancel the agreement at no cost to Miss B.
2. Refund £1,432.41 to Miss B.
3. Pay interest on that amount at an annual rate of 8% simple from the date of payment to the date of settlement.
4. Pay £200 to Miss B to compensate her for the distress and inconvenience that she has been caused.

If One Debt Solution deducts tax from the interest element of my award, it should send Miss B a tax deduction certificate when making payment. She can then use that certificate to reclaim the tax if she is entitled to do so.

Jarrold Hastings  
**ombudsman**