

complaint

Mr W complains Haydon Associates Debt Management Consultants Ltd (trading as “Resolve Money Matters”) agreed to help him reduce his debts but hasn’t done so.

background

In June 2013 Mr W agreed that Resolve Money Matters would help him reduce his debts. Resolve Money Matters said that this would involve two stages – a debt reduction plan followed by a debt management plan.

In 2015 Mr W complained to Resolve Money Matters when it said it was going to cease debt management activity. Mr W complained that it hadn’t done what it had promised.

Resolve Money Matters investigated Mr W’s complaint but didn’t uphold it saying that it had explained to Mr W that its fee during the debt reduction stage could be up to 90% of the payments it received from him. Resolve Money Matters did, however, say it would refund a surplus of approximately £600 that it held on his behalf. Mr W complained to us saying that Resolve Money Matters hadn’t helped him reduce his debts.

Our adjudicator recommended that this complaint be upheld as she didn’t feel Resolve Money Matters had helped Mr W with his debts. Resolve Money Matters didn’t reply to our adjudicator’s recommendations or during her investigation. Nor according to Mr W did it refund the surplus it said it would. I was, therefore, asked to review this complaint.

my findings

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

I can see that Resolve Money Matters explained how its debt reduction plan would work, but it has done very little to reduce Mr W’s debts. In fact, over the two years that the debt reduction plan has been in place, Resolve Money Matters reduced Mr W’s debts by under £100 whilst charging him over £1,000 in fees and building up a surplus of over £600.

Given the above, I agree with our adjudicator that Resolve Money Matters should refund the payments it has received from Mr W less any amounts paid to his creditors (which I understand to be under £100) and that it should pay interest on those refunds. I also agree that it should pay Mr W compensation for the distress it has caused. I can see that waiting for Resolve Money Matters to refund the surplus it said it would has caused Mr W a significant amount of distress in itself. I'm, therefore, going to make an award of £500.

my final decision

My final decision is that I require Haydon Associates Debt Management Consultants Ltd:

- to refund all of the payments it has received from Mr W since his debt reduction scheme began less any payments it has made to his creditors;
- to pay interest on these refunds at a rate of 8% a year simple from the date the payment was received to the date of settlement; and
- to pay Mr W £500 for the distress it has caused him in particular whilst he has waited for the surplus it holds to be refunded.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 October 2015.

Nicolas Atkinson
ombudsman