

## **complaint**

Mr A complains that Clear View Finance Limited didn't pass on money to his creditors under a debt reduction plan.

## **background**

Mr A had a debt management plan with Clear View. Under the plan Mr A paid Clear View £240 each month. It would take out its monthly fee and then pass the balance on to the companies he owed money to – his 'creditors'.

In March 2013 the debt management plan changed to a debt reduction plan. From then Clear View passed on only £1 a month to each of Mr A's four creditors. It kept the balance for its own fees, which it said included checking Mr A's accounts for discrepancies and payment protection insurance. When Mr A found out about this he complained, saying he didn't know about this debt reduction plan.

Clear View offered to pay Mr A £900, which it said it was 'surplus' money it hadn't passed on to his creditors. Mr A wasn't happy with the offer. Our adjudicator thought Clear View should pay him more than this. He said Clear View should refund Mr A the payments he'd made to it from March 2013 to February 2015, less the payments it had passed on to his creditors. This was £5,760 Mr A paid to Clear View less £80 it paid his creditors, meaning a refund of £5,680 plus interest. He said Clear View should add £150 for inconvenience. Clear View didn't reply so the complaint's been passed to me for review.

## **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 agree with the adjudicator's conclusions. Clear View hasn't given us the information we've asked for. The adjudicator asked Clear View to send him information showing it told Mr A he'd been moved on to a debt reduction plan, how this would work and its fees – and that Mr A had agreed to this. Clear View hasn't sent us this information. It hasn't explained how it explained the consequences of the plan to Mr A. And Clear View hasn't shown it was sending monthly statements to Mr A showing him it was taking most of his £240 monthly payment in fees.

It is clear to me that Mr A didn't agree to the debt reduction plan, or Clear View's fees. I think it is both fair and reasonable for Clear View to refund him the money he paid it from March 2013 to February 2015. He paid £240 a month, as shown on his bank statements. Clear View can deduct from this the £80, in total, that it paid his creditors over this period. It mustn't deduct any management fees from the refund.

Mr A went into the original debt management plan to ease his financial position. Instead he's paid a substantial amount of money to Clear View, but has made only small inroads into his debts. He's found it hard to get any answers from Clear View. And this has caused him unnecessary inconvenience, frustration and worry. I think Clear View should pay him compensation for this, and £150 is fair and reasonable.

**my final decision**

My decision is that I uphold this complaint. I order Clear View Finance Limited to:

- refund to Mr A £5,680, representing the payments he made to it of £240 a month between March 2013 and February 2015, less the £80 in total it paid his creditors; and
- add interest to the payments Mr A made to it between March 2013 and February 2015 at the gross annual rate of 8% simple from the date of each payment to the date of settlement. If it deducts tax from this interest element of my award it should send Mr A a tax deduction certificate with the payment; and
- pay Mr A £150 for the inconvenience, frustration and worry it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 October 2015.

Amanda Maycock  
**ombudsman**