

### **complaint**

Mr and Mrs H complain that Debt Connect (UK) Limited has mismanaged their debt management plan.

### **our initial conclusions**

The adjudicator recommended that the complaint should be upheld. She concluded that Debt Connect had not passed on Mr and Mrs H's money to their creditors. The adjudicator recommended that it should refund the sums which had not been paid, together with interest. Debt Connect should also refund the administration charges added by creditors when they did not receive payments due. In addition Mr and Mrs H should be paid £300 for distress and inconvenience. Debt Connect is not happy to accept the adjudicator's recommendation.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr and Mrs H and the business have provided. As the adjudicator has explained, we can only consider events which happened after 6 April 2007. This was the date when our rules were changed to allow us to consider this type of complaint.

Mr and Mrs H have paid Debt Connect £3,220 since April 2007. This sum should have been distributed amongst their creditors. However Debt Connect only paid £793.29 towards their debts. It has not explained why this is the case, despite a number of requests from our adjudicator. As Mr and Mrs H missed payments that were due, some of their creditors added administration fees to their account.

I agree with the recommendations of our adjudicator for the reasons given. No explanation has been given as to why money paid by Mr and Mrs H was not passed onto their creditors.

**My decision is that I uphold this complaint. My order is as set out overleaf.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs H either to accept or reject my decision before 19 September 2014.**

*Rosemary Lloyd*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

### **ombudsman notes**

In settlement of this complaint, I order Debt Connect (UK) Limited to pay Mr and Mrs H the following sums:

- £300 for distress and inconvenience
- £2,426.71, which is the money paid by Mr and Mrs H which was not passed onto their creditors
- Pay interest on £2,426.71 at an annual rate of 8% simple from the date Mr and Mrs H made the payments to Debt Connect, to the date of settlement.
- Refund administration charges of £147.

If Debt Connect believes that tax should be deducted from the interest element of my award, it should provide Mr and Mrs H with the appropriate tax deduction certificate so that they are able to claim a refund if appropriate.

### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.