

complaint

Miss G complains that Ashley Park Debt Solutions Limited, trading as Ashley Park Financial Solutions, ("APDSL"), didn't provide her with appropriate information when she entered into a debt management plan ("DMP") with it. The complaint is brought to this service on Miss G's behalf by a claims management company ("CMC"). But for ease, I shall refer below to all actions being taken by Miss G unless stated otherwise.

background

Miss G entered into a DMP with APDSL in August 2013. She is unhappy that:-

- reviews weren't conducted to ensure the suitability of the DMP;
- she wasn't told about organisations offering a similar service for free or the availability of free debt advice;
- she wasn't told that creditor recovery action could still continue, interest and charges may still be applied whilst the DMP was in place and that making reduced payments would have an adverse effect on her credit rating.

The adjudicator didn't recommend that the complaint should be upheld. He said that:-

- APDSL had provided proof that reviews were conducted, in line with their terms and conditions. A review was conducted in February 2014 and a review would have been conducted in August 2014. But the DMP was closed in the same month.
- when the DMP was sold in August 2013, there was no regulatory obligation for APDSL to advise Miss G about free services. But he noted that APDSL said that it would've signposted its customers to guidance issued by the Insolvency Service. And within this guidance, organisations such as the Money Advice Service were referred to.
- the possibility of creditor recovery action, interest and charges still being applied and the effect reduced payments would have on Miss G's credit rating were all set out in the DMP's terms and conditions.

The CMC disagreed and responded to say that the Office of Fair Trading's ("OFT") Debt management guidance dated September 2008 ("the 2008 Guidance") and the OFT's Debt management (and credit repair services) guidance from March 2012 ("the 2012 Guidance") applied to the DMP. Under these Miss G should have been told about free services

my findings

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

As the CMC has only referred in its response to the adjudicator's view to the lack of a referral to the free debt counselling sector, I propose to only deal with this aspect of Miss G's complaint in my decision.

I have seen a copy of APDSL's Key Information Document which it said was provided to Miss G. I note that this includes a reference to the Money Advice Service ("MAS"). APDSL also said that all clients were signposted and encouraged to read the guide published by the Insolvency Service. It said that Miss G would have been provided with a link to it in the initial call. It has provided a copy of this guide and I can see that it provides information about the MAS. So, it appears that Miss G may have been told about free services by APDSL.

The CMC has referred to the 2008 Guidance. But this didn't apply at the time that Miss G entered into the DMP. And in any event, there were no obligations within this for APDSL to tell Miss G about fee-free debt advice. The 2008 Guidance specifically said that the OFT had no objection to firms charging for debt management services.

When Miss G was sold the DMP, the 2012 Guidance applied. The 2012 Guidance specifically said that a referral to free debt advice should be made where appropriate to do so (Clauses 2.5d and 3.23g of the 2012 Guidance). The 2012 Guidance said that this would be the case if there were priority debts and/or an immediate emergency, or if Miss G didn't have enough disposable income to afford the fees and her monthly plan payments. APDSL said that Miss G didn't fall into this category. I can see that Miss G was able to make two payments of £144, one payment of £149 and four payments of £152.35. Because of this, it appears to me that the fees and monthly plan payments weren't unaffordable.

The CMC had also previously referred to Financial Conduct Authority's Handbook, and specifically CONC 8.2.4 (1). But this doesn't apply to Miss G's DMP as it only applies to agreements entered into after 1 April 2014.

So, overall, I don't think that APDSL has done anything wrong in rejecting Miss G's complaint.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 28 December 2016.

Roslyn Rawson
ombudsman