

## **complaint**

Mr K complains that MoneyPlus Group Limited, ("MGL"), didn't act fairly when it took over his debt management plan in August 2014. The complaint is brought to this service on Mr K's behalf by a claims management company. But for ease, I shall refer below to all actions being taken by Mr K.

## **background**

Mr K entered into a debt management plan ("DMP") with a debt management company, ("D"). MGL took over the DMP from D in August 2014. Mr K complains that MGL didn't:

- make Mr K aware that the same or similar service could be provided free of charge;
- review Mr K's account to ensure the plan and payments were appropriate;
- make Mr K aware of the full range of solutions available; and
- make Mr K aware of the set-up fee taken by MGL.

The adjudicator didn't recommend that the complaint should be upheld. She said in relation to each of the issues:

### *referral to the free sector*

Having reviewed the industry guidance for debt advice, she wasn't persuaded that MGL should have signposted Mr K to the free debt advice sector.

### *account reviews and other available debt solutions*

MGL conducted a welcome call with Mr K in October 2014. One of the purposes of the call was to conduct a review of Mr K's income and expenditure to ensure the plan was suitable. The adjudicator had listened to the call and MGL had explained that it would conduct reviews to check affordability. But Mr K told MGL that D had conducted a review just before the account was transferred to MGL, and that he was happy his next review would be in August 2015. But, as Mr K then settled all of his accounts in July 2015, a review wasn't necessary. The adjudicator also explained that as Mr K had told MGL that he'd only just had a review with D and that he was happy with everything, she didn't believe it was unreasonable that MGL didn't conduct another review during the welcome call. And without a review, MGL wouldn't have been in a position to suggest other debt solutions to Mr K.

### *set-up fee*

The adjudicator noted that MGL hadn't charged any set-up fees as the DMP had already been set up by D.

Mr K disagreed with the adjudicator's view in respect of the referral to the free sector. He said that MGL should have told him in the welcome call about available free debt counselling and adjusting services.

The adjudicator responded to say that MGL had referred in its welcome pack to the availability of free debt counselling services. The pack was sent to Mr K before the welcome call. So, she didn't agree that MGL was also required to refer to these services in the welcome call.

## **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 Mr K has only referred in his response to the adjudicator's view to the referral to the free debt counselling sector, I propose to mainly deal with this aspect of his complaint in my decision.

I note that CONC 8.2.4 of the Financial Conduct Authority's Handbook says that:-

*"A debt management firm must prominently include:  
(1) in its first written or oral communication with the customer a statement that free debt counselling, debt adjusting and providing of credit information services is available to customers and that the customer can find out more by contacting the Money Advice Service."*

I also note that there is a requirement to include a link to the Money Advice Service website.

MGL has sent this service a copy of its welcome pack. This includes a welcome letter, a letter of authority, terms and conditions and a leaflet entitled "Dealing with Debt – 5 Things You Should Know". I don't know the exact date this was sent to Mr K. But I can see that he signed and dated the letter of authority on 14 August 2014, so he must have received the welcome pack before this. The dealing with debt leaflet includes as its first point a referral to free debt advice and services and a contact number and business hours for the Money Advice Service. There is also a link to the Money Advice Service website.

So, as MGL included a reference to free debt advice in its first written communication to Mr K, I don't think it was necessary for it also to refer to free debt advice in its subsequent welcome call.

I have also listened to the welcome call, and I note that when a review was discussed, that Mr K had said that he had just had a review before the transfer of the DMP. I noted that Mr K was told that the next review would be in August 2015, but that he could raise any issues before this. So, I agree with the adjudicator that MGL didn't act unreasonably by not conducting a review in the welcome call.

So, having carefully considered the circumstances of this complaint, I don't think that I have the grounds to find that MGL has acted inappropriately.

## **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 Mr K to accept or reject my decision before 22 August 2016.

Roslyn Rawson  
**ombudsman**