

complaint

Mr H complains about the way that DFH Limited, trading as DFH Financial Solutions, has dealt with his debt management plan. He says that he agreed to pay £123 each month for 24 months to repay his debts but that the repayments are now required over a longer period.

background

Mr H agreed a debt management plan with DFH in August 2013. Based on the estimates that he had provided, his debts were then £2,060 and DFH estimated that they would be repaid by 24 monthly payments of £123. His debts were actually £2,209.71 and he had not cancelled his repayment option plan with one of his creditors so part of his repayment was being used to pay for the plan so it would take longer than 24 months to repay his debts. Mr H complained to DFH but was not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He was satisfied that Mr H's debt management plan has been administered in line with DFH's terms and conditions and that he was not given misleading information about its likely duration. He concluded that DFH had not done anything wrong.

Mr H has asked for his complaint to be considered by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I am not persuaded that there is enough evidence to show that DFH has dealt with Mr H's debt management plan incorrectly.

Mr H agreed a debt management plan with DFH in August 2013. He provided estimates of his debts to DFH which showed that he owed £2,060. On the basis of those estimates, DFH estimated that his monthly repayments would be £123 for 24 months. DFH's terms and conditions say that Mr H should "*cancel any payment protection insurance and/or charges applied to any account you hold where you are charged for the use of that facility*". Mr H did not cancel the repayment option plan that he had agreed with one of his creditors which meant that part of each of his monthly repayments to DFH was used to pay for the repayment option plan with the result that his debt did not decrease as quickly as had been estimated. It was Mr H's responsibility to cancel that plan and DFH would not have been able to do so.

Mr H's creditors then provided balances of the debts owed to them by Mr H which showed that he owed a total of £2,209.71, which was £149.71 more than he had estimated. As a result of his actual debts being greater than his estimates and that he had not cancelled the repayment option plan, his debts would take longer than 24 months to repay at a rate of £123 each month. One of his creditors has since written off the outstanding amount owed to it by Mr H but it will still not be possible for his debts to be repaid within the initially estimated 24 months at that rate.

DFH's terms and conditions say that: "*After the 14 day cooling off period you may terminate this agreement at any time giving two weeks notice In this instance we reserve the right to retain the initial fees*". Mr H is able to end his debt management plan with DFH by giving two weeks' notice but it would retain the initial fees that he has paid.

For these reasons, I do not consider that DFH has acted incorrectly and I do not consider that it would be fair and reasonable for me to require it to take any action in response to Mr H's complaint.

my final decision

My decision is therefore that I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 1 May 2015.

Jarrold Hastings
ombudsman