

## **complaint**

Miss T complains that Clear View Finance Limited (Clear View) mismanaged her debt. She said only minimal payments had been made to her creditors.

## **background**

In around February 2012, Miss T entered into a Debt Management Plan (DMP) with Clear View to manage her outstanding debts with various creditors. At some point around March 2013, it would appear that Clear View changed Miss T's plan to a Debt Reduction Plan (DRP). In 2015 she discovered that significantly less than she expected had actually been passed on to her creditors over the period of the plan.

She complained to Clear View. It initially agreed to refund her surplus funds of around £1,000. However, no refund was made and so she asked us to look at her complaint.

Our adjudicator upheld Miss T's complaint. Clear View did not reply to our requests for information or to our adjudicator's view and so the matter needs an ombudsman's decision.

## **my findings**

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

We found it very difficult to contact Clear View despite using their business address. This means that we do not have any information from them to use when considering this complaint.

Miss T has given us some information about her debt, including some letters and emails sent to her by Clear View. We also have some information from her creditors and bank.

We have very limited information about the first year or so of the plan, either from Miss T or from Clear View. From the information that we do have, it would appear that Miss T was initially on a DMP and that a DRP was in place from around March 2013.

Miss T said that she was aware that fees would have applied on the plan. She said that she thought that these would have been around £25 per month. I can see from her welcome letter that she was advised that the maximum monthly fee would be £25.

She told us that she recalled being advised to change her plan in March 2013 in a telephone call. A letter that Clear View sent to her in March 2013 indicated that up to 90% of her monthly fees could be retained by it. However, she told us that she was not be made aware that by switching plans most of her fees would be retained by Clear View.

When Miss T contacted Clear View in 2015 to check on the progress of her plan, having not received statements for some time, she said that she was shocked to learn that for around two years only minimal payments had made their way to her creditors. When she asked it to provide statements of account it was unable to provide her with any information from before March 2013 as supported by email correspondence that Miss T sent us.

We obtained Miss T's bank statements which show that that between February 2012 and February 2015 Miss T made payments to Clear View totalling £8,500.

She has also provided the annual statements sent to her by Clear View for 2013 to 2014. These show that only token payments of £1 or £2 were being paid to Miss T's creditors in that time. The majority of Miss T's payments were being retained in fees and some being held in a surplus fund.

There were two creditors in the plans, one of which Miss T held two accounts with. We obtained statements from the creditors for two of the accounts covering the entire period of the plan. We also obtained statements from a debt recovery firm involved in the collection of the third debt for a period of time.

It seems in the years that the DMP was running payments to creditors were irregular and sporadic. When the DRP was in place only token payments were distributed and again on an irregular basis.

In the absence of any information from Clear View and based on the limited information we have managed to gather, we calculated that around £1,664.27 was paid to creditors. This figure is based on the actual amounts that we could see had been passed to creditors and included amounts that we believed may have been paid, based on the pattern of actual payments that we had established.

Although Miss T said that she was aware that some of her payments would be taken in fees, I do not think that she should have to pay these. I say this because I am not satisfied that Clear View correctly managed either the DMP or DRP.

I cannot see under the DMP that payments were made with any regularity. Given its lack of response, it has not adequately explained the fees it retained under the DRP or shown what work it carried out to justify those fees. Nor has it shown us that it did anything to reduce or challenge Miss T's debt in the two or so years that she was subject to the DRP. Nor am I satisfied that it sent Miss T statements from June 2012 onwards highlighting that it was retaining most of her payments in monthly fees.

In the absence of clear and detailed representations from Clear View as to why it is entitled to keep any of the fees, I am not satisfied that it should.

I do not think that Clear View has managed Miss T's debts in an acceptable way and I do not think it has behaved fairly towards Miss T.

I agree that Miss T should be refunded all the money she has paid to Clear View less the £1,664.27 that we have identified as having been probably passed to her creditors. It should also add 8% simple interest per year to the resulting sum. It must not deduct any management fees from the refund.

Miss T went into the plans to ease her financial position. Instead she has paid a substantial amount of money to Clear View, but has made only small inroads into clearing her debts. I think that Clear View's actions have caused Miss T unnecessary frustration and worry. I think it should pay her £300 compensation for this distress.

### **my final decision**

My final decision is that I uphold this complaint. I direct Sterling Financial Security Ltd trading as Clear View to:

1. refund Miss T £6,835.73;
2. pay 8% simple interest per year from the date of each payment Miss T made to the date of settlement; and
3. pay Miss T £300 for the distress that it has caused her.

If settlement is not paid within 28 days of when Miss T accepts this final decision further interest, at the same rate as above, should be added to the payment of £300 from the date of this decision until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 22 January 2016.

Siobhan Kelly  
**ombudsman**