

## **complaint**

Ms D complains that Haydon Associates Debt Management Consultants Ltd trading as Resolve Money Matters (Resolve) mismanaged her debt management plan (DMP). She said only minimal payments had been made to her creditors.

## **background**

In around January 2014, Ms D entered into a DMP with Resolve to manage her debts. Having paid into the DMP at a rate of £175 each month for about 14 months, she discovered that only a minimal amount had actually been paid to her creditors. As a result, Ms D had to enter into an Individual Voluntary Arrangement (IVA).

She complained to Resolve but it did not reply to her and so she asked us to look at her complaint. Resolve did not reply to our requests for information.

Our adjudicator upheld Ms D's complaint. She recommended that Resolve refund all payments that Ms D had made less the money it had paid to her creditors with interest to be added to that amount. She also recommended that it compensate Ms D for the distress that it had caused.

Resolve did not reply 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 Resolve despite using their business address. This means that we do not have any information from them to use when considering this complaint.

Ms D has given us information about her debts and we have also obtained some information from her creditors directly. She has also provided us with a letter from Resolve which states that she had a debt services agreement with it.

An extract from her bank statement shows that Ms D made 14 monthly payments of £175 to Resolve between January 2014 and February 2015 totalling £2,450.

Having looked at account statements from Ms D's various creditors, I can only see evidence of payments to those creditors of around £17 over the entire period that Ms D was paying into the DMP.

Resolve has not shown us: the terms of the agreement that it had with her; how it managed the money that Ms D had paid to it; details of payments it made; or that it had carried out much meaningful work on Ms D's behalf.

Indeed, the fact that only £17 appears to have been paid to her creditors suggests that Resolve made only a token attempt to manage Ms D's debts. I do not think that Resolve has managed Ms D's debts in an acceptable way and I don't think it has behaved fairly towards her.

Having looked at what our adjudicator has set out, I broadly agree with what she thought Resolve should do to put things right. Resolve has not objected to the suggested redress and it seems a reasonable and fair approach in the circumstances.

I do not think that Ms D should have to pay any of Resolve's fees. I say this because I am not satisfied that Resolve correctly managed her DMP. Given its lack of response, it has not shown that it provided Ms D with a sufficiently transparent fee structure or set out why it is that it believes it is properly entitled to keep those fees. In the absence of clear and detailed representations from Resolve as to why it is entitled to keep any of the fees, I am not satisfied that it should.

I agree that Ms D should be refunded all the money she paid to Resolve (less the £17 we have identified as 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.

I note that Ms D, up until the point that she had entered into the DMP, had for the most part managed to keep up payments to her creditors. I think the realisation that her money had been mismanaged by Resolve and the knock-on effect that it has had would have been very distressing for her. I think that Resolve should pay her £250 to compensate her for the distress it has caused.

### **my final decision**

My final decision is that I uphold this complaint. I direct Haydon Associates Debt Management Consultants Ltd trading as Resolve Money Matters to:

1. refund Ms D £2,436;
2. pay 8% simple interest per year from the date of payment to the date that settlement is made; and
3. pay Ms D £250 for the distress that it has caused her.

If settlement is not paid within 28 days of when Ms D accepts this final decision further interest, at the same rate as above, should be added to the payment of £250 from the date of this decision until the date of settlement.

The supervisor of Ms D's IVA has indicated that the full amount of the award should be paid into her IVA and so accordingly, I direct that the full award is paid into her IVA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 30 November 2015.

Siobhan Kelly  
**ombudsman**