

complaint

Mr L complains that Lawrence Charlton Limited misled him about both how quickly his debts would be cleared, and how much he would have to repay.

background

In September 2009, Mr L contacted Lawrence Charlton to discuss entering into a debt management plan. He provided details of his debts with a number of creditors. Lawrence Charlton confirmed that on the estimated level of debt (£9,883.54), and if the creditors agreed to suspend interest and other charges, it would take Mr L 48 months to clear the debt under a payment plan.

The estimate of debt provided by Mr L was approximately £2,000 lower than the actual debt. Not all of his creditors agreed to suspend charges and interest.

The adjudicator did not recommend that the complaint should be upheld. He considered that the quote given by Lawrence Charlton was based on Mr L's estimate of his debt, and not the actual figure which was higher. Further, not all of Mr L's creditors agreed to suspend interest and charges. The time estimate provided by Lawrence Charlton had made it clear that it was on the basis that they would.

Mr L is not happy to accept the adjudicator's recommendation. He says that he is unhappy that it is taking longer than he was originally told to pay off his debts. Also he is paying back more than he originally owed.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have read the welcome letter given to Mr L. This confirmed that Lawrence Charlton was prepared to give him a debt management plan. The letter set out what Mr L thought he owed his creditors. It also set out the monthly payment, and length of time it would take Mr L to pay off his debts under the plan. The letter explained that this was however conditional on both the level of debt being accurate, and Mr L's creditors agreeing to suspend charges and interest.

Mr L later realised that he had additional debts. Further not all the creditors agreed to suspend charges and interest. This means that I am unable to find that Lawrence Charlton has acted unreasonably in not keeping to the original estimate it provided to Mr L.

The terms of the agreement with Lawrence Charlton allowed it to charge a monthly fee until all the debts were paid off. Given this, I find that it has acted fairly in asking Mr L to pay this fee while the plan is ongoing.

my final decision

My decision is that I do not uphold this complaint.

Rosemary Lloyd
ombudsman