

complaint

Ms B has complained Butler-Do Ltd, trading as Kensington Financial Management Consultants Ltd, didn't manage her debt management plan properly. She also doesn't believe she was given the right advice when it started in 2011.

Ms B is represented by a claims management company. I'll call them D.

background

Ms B agreed to enter a debt management plan in 2011. At that time she had seven debts and owed just under £20,000. She agreed to pay £500 a month to Kensington Financial Management Consultants Ltd (KFMC). Later on additional debts were added.

Ms B is concerned she wasn't given the right advice when she took out this plan. On her behalf, D complained to KFMC. She wasn't told entering a DMP would have an impact on her credit record. Ms B also didn't think she was told what this arrangement would cost her. Nor was she advised about free advice services.

KFMC didn't believe this was the case and pointed to contrary evidence. D didn't agree. They brought Ms B's complaint to the ombudsman service.

Our adjudicator reviewed the evidence. He told D there was nothing to show KFMC had done anything wrong. Although there were no telephone recordings available, he felt it was most likely staff at KFMC had followed the scripts we – and D – had seen.

D disagreed with this outcome. They've asked an ombudsman to make a final 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.

There are a few aspects to Ms B's complaint:

- She wasn't told how it would affect her credit rating;
- She didn't know how much it would cost her;
- She wasn't informed that alternative free advice services existed;
- Bankruptcy would have been a better option in 2011.

I've looked at all the evidence our adjudicator examined. I've reached the same conclusion as him and for roughly the same reasons. I'll explain these:

- Although we can't get the phone calls, I've seen nothing which suggests KFMC didn't follow the scripts for introductory and review calls;
- I'm satisfied all the different options for managing Ms B's debt were discussed with her. This was both in her initial call and subsequent annual reviews. The evidence shows Ms B still didn't think bankruptcy was the right option during the annual review completed in December 2013;
- In addition these calls provide information to Ms B on the issues she's complained about, including fees, impact on credit record. The introductory call confirms Ms B can go to free advice services;

- Ms B was sent an introductory letter from KFMC on 25 July 2011. I can see this covered what she was paying for her DMP (£500 for setting it up and a monthly fee of £60). There was also a warning about the impact this may have on her credit record;
- I've not seen Ms B's credit record. She was having difficulty managing her debts before her DMP, so there's a possibility there was already negative information on her record;

I'm aware Ms B has now entered into an alternative debt management arrangement: an Individual Voluntary Arrangement. I think this provides further evidence Ms B didn't chose bankruptcy as an option earlier as that isn't what she wanted to do.

Overall I don't believe there's enough evidence to show KFMC acted unfairly. I'm therefore not going to ask Butler-Do to do anything further.

my final decision

For the reasons I've given, my final decision is not to uphold Ms B's complaint against Butler-Do Ltd, trading as Kensington Financial Management Consultants Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 8 December 2016.

Sandra Quinn
ombudsman