

complaint

Mr T complains that Harrington Brooks (Accountants) Limited failed to give him relevant information about his debt management plan.

background

Mr T set up a debt management plan (DMP) with a different business in July 2012. HB took over the management of Mr T's DMP in October 2012.

Mr T complained to HB that it hadn't made him aware of the impact the DMP could have on his credit file or that creditor action could continue. And it hadn't told him about the availability of free debt management services. Being unhappy with HB's response, he complained to this service.

Our adjudicator thought Mr T's complaint shouldn't be upheld.

Mr T disagreed with the adjudicator's conclusions, so the matter's been referred to me 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.

I've decided not to uphold Mr T's complaint and I'll explain why.

I'll firstly deal with the part of Mr T's complaint that relates to information about the impact the DMP could have on his credit file and that creditor action could continue.

We've been given recordings of the phone calls between Mr T and HB when it assumed responsibility for his DMP in October 2012. These show it was made clear at the time that Mr T's creditors could still continue to charge him interest or take action against him. The calls also include an explanation that he would be making lower payments to creditors than his contracts with them required, so adverse information could be recorded on his credit file as a result.

So, I think HB took reasonable steps to make Mr T aware of these matters at that time.

I'll turn secondly to the part of Mr T's complaint that relates to information about the availability of free debt management services.

When HB took over the management of Mr T's DMP in 2012 there was no mandatory obligation on businesses to tell consumers about free debt management services. But, as Mr T's representative's pointed out, there was Office of Fair Trading Guidance saying they should do so 'where appropriate'.

I haven't seen any information indicating the fees and monthly plan payments Mr T was making at the time were unaffordable to him. And I note from the call recordings I've referred to above, that these matters were discussed during the phone calls with Mr T when HB assumed responsibility for his DMP. So, I don't have enough information to conclude it was

unreasonable for HB not to draw the availability of free debt management services to his attention at that time.

Mr T's representative's also pointed out that from April 2014 there's been a duty to tell consumers about such services in the first written or oral communication a business has with them.

But HB had its first communication with Mr T when it took over the management of his DMP in 2012, before this obligation was introduced. So I don't think HB was required to tell Mr T about free debt management services in 2014 either. I note HB says at the end of March 2014 it sent its clients a letter or email referring them to its online portal, which included information about free services. And I see this included information about the Government's Money Advice Service. So, it appears HB went beyond its obligations, in March 2014, by giving its existing clients access to information about free debt management services on its website.

So, for these reasons, I can't uphold Mr T's complaint.

my final decision

I don't uphold Mr T's complaint against Harrington Brooks (Accountants) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 24 February 2017.

Robert Collinson
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