

## **complaint**

Mr D complains that, after entering into a debt management plan (DMP), both he and the debt management company have tried unsuccessfully to make a payment arrangement with First And Goal Limited (trading as Pounds2day). Instead Pounds2day continues to apply interest to his account and has not responded to his requests for a payment arrangement. Mr D wants Pounds2day to accept his DMP, refund interest and stop charging it in the future.

## **background**

Mr D had a loan with Pounds2day. In June 2012 he entered into a debt management plan and asked Pounds2day to accept a reduced payment through the plan. Mr D says that despite trying to contact Pounds2day many times, including by letter and phone, he has received no response. The only communication he has received is an email sent six months after his DMP started saying he is in arrears and showing interest being added. Mr D says he has continued to make nominal payments to Pounds2day through the DMP.

The adjudicator recommended that this complaint should be upheld. She has received no response to several attempts to contact Pounds2day and concluded that this supports Mr D's version of events. She recommended that Pounds2day refund interest and charges from June 2012 to date, cancel all interest and charges going forward, and pay Mr D £50 for the inconvenience and distress its lack of communication has caused.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I find that I have come to the same conclusions as the adjudicator did for much the same reasons.

Pounds2day has not responded to Mr D, his debt management company or this service.

When a customer tells a lender that he is experiencing financial difficulties, the lender is obliged to respond positively and sympathetically. Ignoring Mr D and continuing to apply interest to a loan when a debt management plan is in place is neither positive nor sympathetic. I am satisfied that Pounds2day have been unfair and unreasonable in the way it has treated Mr D. A reasonable response would have been to stop charging interest in June 2012 when Mr D started his DMP, and acknowledge that the nominal payments he is making are acceptable. As this situation has gone on for over a year, I also intend to increase the recommended compensation from £50 to £100.

This decision has been referred to me because Pounds2day have not responded to our requests for information or our adjudicator's recommendation. I remind Pounds2day that it is obliged to provide this service with information required to investigate complaints as outlined in the Financial Services Authority (now Financial Conduct Authority) handbook.

## **my final decision**

My decision is that I uphold this complaint. In full and final settlement I order First and Goal Limited to:

- Refund any interest and fees charged on the account from 1 June 2012 onwards.

- Stop charging interest and any other fees on the account.
- Pay Mr D £100 – directly, rather than in reduction of his debt – compensation for the distress and inconvenience it has caused.
- Accept Mr D's payments through the debt management plan as a repayment plan – which can be reviewed periodically with the debt management company.

Susan Peters  
**ombudsman**