

complaint

Ms F complains that Debt Connect (U.K.) Limited 'Debt Connect' has not refunded her money she was due back for cancelling a debt management plan.

background

Ms F had a debt management plan with Debt Connect which she cancelled. She says she had paid Debt Connect money but it did not make payments to her creditors as promised. Debt Connect confirmed that by cancelling the plan Ms F would be refunded the money she had paid it which they held on her account - a total of £3,339.68.

Ms F says that despite her repeated requests for the money Debt Connect has still not paid her.

Our adjudicator recommended this complaint be upheld. She said that Debt Connect had confirmed Ms F was owed the refund on 1 November 2013 but has not confirmed whether it has paid her. She noted that Ms F maintains that she has not received it. She recommended the business pay Ms F the £3,339.68 plus simple interest and £100 for the distress and inconvenience caused to her by its delay.

Debt Connect has responded to say it would look into the matter - but to date it has failed to provide a substantive response the adjudicator's view. Therefore, this matter has been passed to me for determination.

my findings

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

Where matters are unclear I make my findings on the balance of probabilities – which is to say, what I find most likely to be the case based on the evidence available and the wider surrounding circumstances.

I can see that Ms F terminated her plan with Debt Connect in June 2013 and requested a refund of the money which it held on her account.

Debt Connect responded to state that Ms F was due a refund and it was being processed. In September 2013 Debt Connect confirmed to Ms F in writing that a total refund of £3339.68 was due back to her and would be sent by first class post on 1st November 2013.

Ms F says she has never received the cheque as promised. She says that when she chased it up she was told that the managing director was looking into her refund and needed to sign the cheque.

This service has contacted Debt Connect but it has failed to provide any meaningful response to Ms F's complaint. It has told our adjudicator on at least two occasions that it would look into the matter and call her back with a response but has failed to do so.

Overall, I am satisfied that Ms F is owed £3339.68 by Debt Connect – it has confirmed this in writing to her and at no stage during this complaint has it disputed that she is owed this money. I find Ms F's submissions consistent and persuasive, while I consider that

Debt Connect has failed to respond to this service in a consistent and credible manner. On balance I believe that Debt Connect has not paid Ms F the refund she is owed.

I find it fair and reasonable that it pay Ms F this refund plus 8% interest per annum. From Ms F's submissions I am satisfied that she did not receive the service she was expecting when she originally paid Debt Connect the money. Therefore, in this instance I find it fair and reasonable that the interest award is calculated from the date she made the original payment(s) to Debt Connect to the date of settlement.

Ms F is understandably upset and frustrated at the delays by Debt Connect in issuing the refund. I note that since June 2013 she has made several attempts to write to it to obtain the refund and it has been slow to respond or not responsive at all. I can see from her correspondence to Debt Connect and this service what a detrimental effect this has had on her. I find it fair and reasonable that Debt Connect pay Ms F £200 compensation for the distress and inconvenience its actions have caused her.

my final decision

My final decision is that Debt Connect (U.K.) Limited:

- pay Ms F the £3339.68 refund she is owed plus interest at 8% per annum from the date of payment(s) to the date of settlement; and
- pay her £200 compensation for the distress and inconvenience it has caused her.

Debt Connect should deduct basic rate tax from the interest element of my award and provide Ms F with a certificate of tax deduction so she may claim a refund, if appropriate.

Mark Lancod
ombudsman