

complaint

Mr M complains that RG Debt Management Services Limited, trading as Debt Line, failed to provide him with a satisfactory service. He is seeking a refund of Debt Line's management fees.

background

Mr M entered into a debt management plan with Debt Line in February 2011. He initially agreed to pay Debt Line £200 a month, and it agreed to forward a monthly amount of £170 to his creditor to repay Mr M's debt. Mr M said that Debt Line was late in sending four of his repayments to his creditor, who consequently charged him higher interest and fees. Mr M also said that he then had to spend time phoning his creditor to obtain a refund of these charges, which should have been dealt with by Debt Line. Debt Line accepted that it had provided unsatisfactory service and offered to refund Mr M its management fees for three months. But Mr M wanted Debt Line to refund all of its management fees.

The adjudicator did not recommend that the complaint should be upheld. He concluded that Debt Line's offer to refund its management fees for three months, totalling £97.50, was fair and reasonable. He considered that overall, Debt Line's actions had been reasonable, but it could have provided a better service to Mr M in relation to updating him about the debt position.

Mr M disagreed and responded to say that he should receive more compensation, especially as he had had to spend time phoning his creditor to resolve issues caused by Debt Line.

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 the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I can see that Mr M was unhappy that four of his payments had reached his creditor after the due date, and that he had been charged interest and fees as a result. He was also unhappy that he had had to phone his creditor numerous times to obtain a refund of these charges. But I note that in July 2011, Debt Line had phoned the creditor to explain the need for it to reset the repayment plan which resulted in a refund of £495.38 of interest and charges. I also note that Mr M contacted his creditor about some issues, rather than ask Debt Line to do this for him. I can see that he told Debt Line in late June 2012 that he had phoned his creditor about a late payment charge on his account. Debt Line said that he should have phoned it so that it could deal with this on his behalf.

Mr M also blames Debt Line's delay in forwarding his payments for other actions taken by his creditor. For instance, I can see that he blamed Debt Line because he received a default notice. But I can see that it is clear from the creditor's letter dated early September 2012 that its decision to send a default notice was due to his concessionary arrangement causing arrears on his account. The creditor has also explained in its letter dated mid-June 2013 its reasoning for charging interest and restricting the length of its payment plans. I note that such actions were not caused by Debt Line's delayed payments.

Overall, I am not persuaded that Debt Line's actions were so unreasonable as to merit a full refund of its fees. But I recognise that Debt Line had made several errors including not setting up the payment date correctly, and not correctly forwarding a new repayment offer to the creditor. These issues caused Mr M to contact both Debt Line and his creditor to resolve them. But I can see that Debt Line accepted that it had made some errors and offered Mr M a refund of three months' fees totalling £97.50 before he brought his complaint to this service. Having carefully considered the circumstances of this complaint, I am satisfied, on balance, that this is a fair offer.

my final decision

My decision is that I do not uphold this complaint.

Roslyn Rawson
ombudsman