

complaint

Ms O complains that Moneyplus Group Limited ("Moneyplus") didn't make her fully aware of how its debt management plan operated, the effect it would have on her debts and credit rating, and the alternatives that were available to her. She is represented in bringing this complaint by DRSP Limited.

background

Ms O took out her debt management plan in October 2008. In November 2015, she cancelled this plan and then complained to Moneyplus about it. Moneyplus didn't accept her complaint so she complained to us.

Our adjudicator didn't recommend that this complaint should be upheld. He commented on the various aspects of Ms O's complaints as follows:

- *she wasn't aware that reducing her payments would have an impact on her credit file* – the terms and conditions ("T & Cs") Ms O had signed made this sufficiently clear;
- *she wasn't made aware about the set up fee taken by Moneyplus* – this was clearly shown in the T & Cs;
- *distributions to her creditors weren't made frequently* – the payment history Moneyplus had produced didn't support this;
- *she wasn't aware that creditors recovery action would continue* – the T & Cs warned this could happen;
- *she wasn't made aware that monthly fees would be deducted from the payments which she made to her creditors* – these were listed in the T & Cs. Also there was a record of Ms O asking about these in a phone call;
- *she wasn't aware of the full range of solutions available* – the adjudicator was satisfied that the possibility of an IVA and other solutions were discussed;
- *she wasn't aware that interest and charges would continue to accrue* – this was mentioned in the T & Cs;
- *she wasn't aware that same or similar services could be provided free of charge* – the plan was taken out in 2008. At that time there wasn't a requirement in the guidance published by the Office of Fair Trading ("OFT") to inform Ms O that the same or similar services were available free of charge; and
- *regular reviews of the plan weren't conducted* – the notes on Ms O's account showed that reviews were carried out on Ms O's account every year.

DRSP responded to say, in summary, that the crux of Ms O's complaint was that Moneyplus did have an obligation to tell clients about the availability of fee free services elsewhere. Failure to do so amounted to a "material omission" under the Consumer Protection from Unfair Trading Regulations 1908.

The OFT had noted in a compliance review in 2010 that most debt advisers weren't volunteering that debt advice was freely available from charitable organisations, and its guidance was changed in 2012 to require free alternatives to be signposted. So this should have been done during the remainder of the plan.

After 1 April 2014 regulations produced by the Financial Conduct Authority ("FCA") required Moneyplus to tell Ms O that free services were available.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

For the reasons the adjudicator has already explained, I don't agree that Moneyplus failed to give Ms O enough information about how its plan would operate, the effect the plan would have on her debts and credit rating, and what alternatives were available to her.

In relation to the specific further points DRSP made in its response to the adjudicator's view, I don't consider that any failure to tell Ms O about the availability of fee free services elsewhere amounted to a "material omission" under the Consumer Protection from Unfair Trading Regulations 1908.

The specific OFT requirement to tell consumers about the availability of fee free services wasn't introduced by OFT in its guidance until 2012. Moneyplus has already told DRSP that in January 2013, Ms O was interested in having her debts written off and was informed by one of its advisers about access to the Citizen's Advice Bureau. However she changed her mind and continued with her plan.

Moneyplus also says Ms O would have been advised of access to free to consumer services in the annual reviews completed with her in January 2014 and May 2015 as this was included in its review process and supporting documentation.

So all in all I don't think Moneyplus treated Ms O unfairly or failed to comply with the guidance in relation to the plan that was appropriate at the time.

my final decision

My decision is that I don't uphold this complaint and make no order against Moneyplus Group Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 27 October 2016.

Lennox Towers
ombudsman