

complaint

Mr P complains that he was sold a financial management plan (FMP) by a third party which Ask Finance Limited, trading as Harrington Brooks, took over the running of. He is assisted in his complaint by a company.

background

Mr P entered into a FMP with a third party in 2012. It is now in liquidation. The third party set up the FMP. It then passed it to Ask to manage.

Mr P says that his financial circumstances in 2012 mean that he would have been better entering into a debt arrangement scheme (DAS). Mr P says he has suffered financial loss from the FMP he entered into. He also had to pay set up and monthly fees for the arrangement. Mr P adds he was not told that he could have obtained a similar service free of charge from other organisations. If the FMP had been reviewed by Ask, it would have been apparent that it was not suitable for Mr P.

Mr P complained to Ask. It did not uphold his complaint. Ask said that the third party sent Mr P a copy of the terms and conditions of the FMP. Mr P agreed to these. The terms explained the fees that would be charged and the actions his creditors may take. These included recording adverse credit information and continuing recovery action.

Ask said it reviewed Mr P's plan with him. It did this in June 2013 and December 2013. Ask could not contact Mr P in July 2014 to carry out a further review. Annual statements were also sent to him.

Mr P was not happy with this response. He brought a complaint to us to consider. Mr P says that he qualified for a formal debt solution which would have reduced his debts more quickly and at less cost. Ask did not tell him about this. It also failed to make him aware that he could have obtained a service free of charge from a charity.

The adjudicator did not recommend that the complaint should be upheld. He noted that Ask was not involved with the initial sale of the FMP. The third party who arranged this is now in liquidation. The adjudicator did not consider that Ask were responsible for advice given at the point of sale. He was not persuaded that the FMP had been managed incorrectly.

Mr P does not agree. He says that Ask had an obligation to assess his situation after it had taken over the FMP. Ask ratified the mistake of the third party with regard to the mis-selling so it should be responsible for their actions.

my findings

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

Mis-sale

The DMP was agreed before Ask became involved in managing Mr P's FMP. He had already been given information about it and had agreed to enter into it. As the adjudicator has explained, Mr P can make a complaint against the third party in relation to the sale of the

FMP. It is however in liquidation so it is unlikely that Mr P will recover any money he thinks he is entitled to from it.

Given that Ask was not involved in the sale of the FMP, I do not find that it is fair for me to hold it responsible for the fact that Mr P may not have been made aware that he may have been able to enter into similar FMP which did not charge a fee.

I note that Mr P agreed to the terms and conditions of the FMP before he entered into it. Details of the fees were made clear to him as well as the fact that his credit rating could be affected. I'm satisfied that Mr P was given enough correct information to know what he had agreed to and the implications of entering into the FMP.

Management

Mr P says that he was sold the wrong FMP, and that Ask should be responsible for this as it took over the running of it. I note that Ask and Mr P discussed the arrangement on two occasions. Mr P did not say he was not happy with it or that it was not suitable for him. If he felt this was the case he could have decided not to continue with the FMP.

I haven't seen any evidence of payments to creditors not being made. Also, the statements show a decrease in Mr P's debts. So to that extent the FMP does seem to have worked, as his debts were reduced.

The evidence shows there was regular contact with Mr P in the time the FMP ran, and so I don't think I can say it wasn't reasonably reviewed

So my decision on whether the FMP was mis-managed is that in the absence of any supportive evidence, I can't say that it was.

Suitability

I have read the report from Mr P's representative which sets out a comparable table of debt solutions. This says that a DAS would have allowed Mr P to pay off his debts in half the time than was the case under the FMP. It is not however certain that Mr P's creditors would have agreed to this arrangement, or that they would have been willing to freeze interest and charges. Because of this, I do not find that a fair comparison can be made between the two arrangements. There is no guarantee that Mr P's creditors would have agreed to a DAS.

If Mr P felt that the FMP was not appropriate for him, I would have expected him to have raised this sooner.

It is clear that Mr P feels very strongly about this complaint and I know my decision will be a disappointment to him. However on the evidence before me I do not find that there are grounds for me to say that Ask has not acted fairly or reasonably towards him.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 August 2016.

Rosemary Lloyd
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