

## **complaint**

Mr R complains that Valour Financial Management Limited gave him unsuitable and misleading advice when entering into a debt management plan.

A claims management company is representing Mr R in bringing his complaint. But for ease of reading, I'll refer to all submissions as having been made by him directly.

## **background**

In 2011, Mr R entered into a debt management plan with Valour. He feels he wasn't fully advised about this plan and the consequences of entering into it. In particular, he's unhappy that Valour didn't advise him that he could also seek free advice, as an alternative to this plan.

Our investigator felt that Valour had acted fairly. She said it was under no obligation to tell Mr R about free alternatives to this plan at the time. She also said that the plan has benefitted Mr R in reducing his debts and couldn't see that Valour misled him about it.

Mr R disagreed. He feels that the plan wasn't suitable and that Valour was obliged to tell him about free alternatives under the regulations at the time. He asked for an ombudsman to reach a final decision on this complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've also carefully considered Mr R's submissions, with regard for the regulations and guidance he's mentioned. Having done so, I won't be upholding this complaint. I'll explain why.

The information Valour gave to Mr R before he entered into the plan clearly explains what will happen with his payments. It explains the charges that'll be applied and the impact this might have on his credit file. I think this information is clear and I can't see that Valour has misled him about the plan in the way he says.

I agree with our investigator when she says that this plan has benefitted Mr R. He's paid Valour a fee, in line with the terms and conditions, but the plan reduced his debts in the way he wanted. Valour negotiated for interest and charges to be frozen and that's helped Mr R reduce his monthly payments to his creditors and reduce the overall amount he owes too. So the plan has had the intended benefit.

Mr R feels very strongly that the regulations and guidance in place at the time mean Valour was obliged to tell him about free alternatives to this plan. I don't find that the guidance in place at the time placed any such responsibility on Valour though. I don't think it's fair to apply later guidance and rules retrospectively. So I can't say it's acted unfairly in this way.

The information Mr R provided Valour showed that he could afford the regular payments to the plan. There was nothing to suggest that these payments might cause him problems in paying his priority debts. So, I can't see any other reason Valour would have referred him to free services.

**my final decision**

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 September 2016.

James Staples  
**ombudsman**