

### **complaint**

Mr and Mrs V complain that NEO Media Solutions Limited (trading as One Debt Solution) failed to administer their debt management plan appropriately.

### **our initial conclusions**

Our adjudicator upheld the complaint. He concluded that One Debt Solution failed to meet the requirements of the Office of Fair Trading (OFT)'s debt management guidance and recommended that it refund all money not distributed to Mr and Mrs V's creditors. He also recommended that it pay Mr and Mrs V £100 to reflect the distress and inconvenience this matter has caused them.

### **my final decision**

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

Mr and Mrs V entered a debt management plan with One Debt Solution in February 2011. They paid £150 per month into the plan from April 2011 until February 2012 (£1,650 in total) but say that One Debt Solution did not distribute these payments to their creditors. One Debt Solution has confirmed that it distributed only £44.28 to Mr and Mrs V's creditors.

I consider the information One Debt Solution gave Mr and Mrs V about their plan to be confusing and potentially misleading. For example, it does not clearly set out its fees, suggests that interest will be frozen on their debts and does not warn of the consequences of stopping payments to creditors. I find that One Debt Solution failed to fulfil its duties under the OFT's debt management guidance and see no reason why it should retain any of the fees paid by Mr and Mrs V. It should refund all money not distributed to Mr and Mrs V's creditors. I also find that Mr and Mrs V have suffered distress and inconvenience by One Debt Solution's failure to administer their plan correctly and by failing to respond appropriately to their complaint. Having considered the general levels of awards this Service makes in this area, I assess a fair award at £200.

**My final decision is that I uphold this decision, as set out in full overleaf.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs V's to accept or reject my decision before 21 January 2014.**

*Simon Begley*  
*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

My final decision is that I uphold this complaint and order NEO Media Solutions Limited (trading as One Debt Solution) to:

- refund all payments not distributed to Mr and Mrs V's creditors, totalling £1,605.72, plus interest calculated at 8% simple per year from the date each payment was made to the date of settlement; and
- pay Mr and Mrs V £200 to reflect the distress and inconvenience this matter has caused them.

If NEO Media Solutions considers that tax should be deducted from the interest element of my award, it should provide Mr and Mrs V with the appropriate tax deduction certificate so that they are able to claim a refund if appropriate.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.