



## **complaint**

Miss B complains about Bournes Limited's, (trading as Bournes Debt Solutions) handling of her debt management plan. She has been making her payment to it regularly each month, but only a small amount of that has been used to repay her creditors.

## **background**

Miss B asked Bournes for help to manage the repayment of her debts. For an administration fee of £100, it set up a debt management programme for her and contacted her creditors to arrange proposals for her to make repayments towards the amounts that she owed.

Miss B began to pay Bournes a regular sum each month with the intention that it would distribute this between her creditors on her behalf. However, when she received statements showing how much she had paid compared with how much had been paid to her creditors, she was unhappy with how little had been paid towards her debts.

She contacted Bournes about the situation and it said that it was holding the remainder of her money in a 'pot'. Miss B decided to cancel her agreement with Bournes, but it did not acknowledge her request. When she then made a complaint and asked for the rest of her money to be returned to her, Bournes did not respond.

Our adjudicator recommended that the complaint should be upheld. Bournes had not responded to any of our letters about Miss B's complaint and would not discuss this with the adjudicator on the telephone, or by email.

The adjudicator said that he considered that Bournes had hindered, rather than helped, Miss B's situation and had provided her with a poor level of customer service. He recommended that Bournes refund Miss B all of the money she had paid to it (including the administration fee), less the amounts that had been sent to her creditors. He said that Miss B should receive interest on that amount, and that Bournes should pay Miss B an additional £150 for the distress and inconvenience caused by the situation.

Bournes did not respond to the adjudicator's opinion letter.

## **my findings**

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

The adjudicator contacted each of Miss B's creditors and asked for a statement of her account. All except one of them responded. Having reviewed these statements, I can see that they each received four payments from Bournes on Miss B's behalf.

Considering the frequency and amount of these payments, they do not appear to be proportionate to the amount that Miss B had paid to Bournes. Nor were they made regularly or consistently.

As Bournes has not co-operated with our investigation into this complaint, and provided limited information to Miss B about what had been agreed on her behalf, I cannot be certain

what repayment arrangements were agreed and accepted by her creditors. But it is unlikely that they would have agreed to the inconsistent way that the payments were made.

Bournes has not kept Miss B sufficiently updated with how it is helping her to manage these debts and I am not satisfied that it has shown that it has complied with the Debt Management Guidelines of the Office of Fair Trading. It has not given any explanation as to why it is holding on to a large percentage of the money she has paid it.

In all the circumstances, I am not persuaded that it would be fair or reasonable for Bournes to continue to hold on to the money that Miss B has paid to it. I also consider that Bournes' handling of Miss B's debt management plan, and her subsequent complaint, is likely to have caused her distress and inconvenience, particularly considering her already difficult situation.

### **my final decision**

My decision is that I uphold this complaint and I direct Bournes Limited (trading as Bournes Debt Solutions) to:

- refund the money Miss B has paid to Bournes including the administration fee, less the payments made to her creditors, and provide her with a breakdown of these figures,
- pay interest on the refunded money calculated at a gross rate of 8% simple per year, from the date of each payment to the date of settlement; and
- pay Miss B a further £150 for distress and inconvenience.

If Bournes considers that tax should be deducted from the interest element of my award, Miss B should also be provided with a tax deduction certificate. She can then use that certificate to reclaim the tax, if she is entitled to do so.

Cathy Bovan  
**ombudsman**