

## **complaint**

Ms O has complained My Money Management Limited, trading as My Money Group, didn't pay one of her creditors when she had a debt management plan with them.

## **background**

Ms O took out a debt management plan with My Money Group (MMG) in 2013. She paid them £200 a month and they agreed to pay her six creditors. In August 2014 her plan was taken over by a different company (who I'll call P). Ms O has realised a number of monthly payments weren't made to her main creditor (who I'll call S) and complained to P.

She also complained to MMG but never received a final response. She asked our service to look into her complaint.

Ms O provided her bank statements, monthly statements from MMG and information from S. After examining these, our adjudicator felt there was enough evidence to show MMG had only made one monthly payment to S. She asked MMG to refund all other monthly payments of £98.98 that should have been made. As MMG's main responsibility was to relieve Ms O's burden from her creditors, she also thought a payment of £350 for the distress caused was fair.

MMG told us they wanted to see if they could get further information from P's administrators about the money they believe they gave to S. A further month was allowed for them to get further evidence. This period has now passed. Ms O's complaint has been given to me to make a final decision.

## **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 can appreciate the difficulty MMG has had in locating their previous records when they had responsibility for Ms O's debt management plan. It was only fair to allow them a period of time to investigate thoroughly. However in the absence of anything further from them, I am satisfied I have enough evidence to make a decision on this complaint.

Ms O has provided us with detailed evidence of her situation in 2013 when she took out a debt management plan with MMG. She started making £200 monthly payments to them in March 2013. Her first payment – as her standing order hadn't been set up by then – was made by debit card on 12 March.

I've also seen the monthly statements Ms O got from MMG to confirm their receipt of her monthly payment of £200. These cover the period when MMG managed her plan and Ms O paid money to them: March 2013 – August 2014 inclusive. These confirm they were paying out £98.98 a month to S (except in March 2013 when £32.29 was paid).

However S's statements of Ms O's account showed they only received one monthly payment during that period. This was on 12 December 2013. That makes 17 months in total where S received no payments from MMG.

MMG believes they did send monthly cheques. They agree it's possible these were returned and not paid to S. But subsequently they think these were in P's possession as they took over MMG's bank account. However MMG are still an authorised business. They can be held responsible for what happened when they were managing Ms O's debts. I don't believe when P took over from MMG, P were accepting liability for their activities.

As the business managing her debt, it's fair to expect MMG to have made sure the payments they're making on Ms O's behalf are going to the right creditors. They should also be regularly checking those accounts to keep Ms O updated on the status of her debts.

Based on the evidence, I believe it's fair and reasonable to consider MMG responsible for payments not being made to Ms O's creditor. They should pay back the money which was never paid to S. Ms O would have relied on their actions at what must have been a vulnerable time for her. And I can see how upset she is to find payments were never made to S. I agree with our adjudicator. £350 is a fair amount for MMG to pay Ms O for the distress they've caused.

### **my final decision**

For the reasons I've given, my final decision is to instruct My Money Management Limited, trading as My Money Group, to:

- Reimburse Ms O for the money never paid to S on her behalf (being 16 payments of £98.98 and one of £32.29);
- Add 8% simple interest per annum to those from the dates of payment to the date of settlement; and
- Pay Ms O £350 for the distress caused.

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.

Sandra Quinn  
**ombudsman**