

## **complaint**

Mr D complains that Clear Start Partnerships Limited, trading as Debt Free Direct, mis-advised him to enter into an Individual Voluntary Arrangement (IVA).

## **background**

Following advice from Debt Free Direct, Mr D entered into an IVA. He says there was enough equity in his home to pay his creditors and he should have been advised to remortgage.

The adjudicator did not recommend that the complaint should be upheld. He concluded that, based on the information agreed between Debt Free Direct and Mr D, an IVA was a suitable option.

Mr D responded to say that he did not agree.

## **my findings**

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

Mr D says that Debt Free Direct under-valued his house. He says it was worth around £91,000 more and that he should have been advised to remortgage. Debt Free Direct obtained an online valuation, based on the average value of property sales in the area. There is no evidence that Mr D disputed this valuation at the time.

Around two months before he sought advice from Debt Free Direct, he had re-mortgaged his home, increasing his borrowing by £48,000. I find it unlikely that another mortgage application, so soon after the last, would have been agreed. I also note from the income and expenditure figures he provided that an increase in his mortgage payments was unlikely to be assessed as affordable. For these reasons I don't think a re-mortgage would have been suitable advice because I think it unlikely that a re-mortgage would have been agreed.

In the circumstances, I don't think the advice to enter into an IVA was unsuitable.

## **my final decision**

For the reasons I have explained, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 29 July 2015.

Elizabeth Dawes  
**ombudsman**