

complaint

Mrs P complains that Moneyplus Group Limited (MPG) mis-sold a Debt Management Plan (DMP) to her. She says it did not make her aware that she could receive free debt advice and debt adjusting services elsewhere. She wants to be put back into the position that she would have been in, had the DMP not been mis-sold.

background

Mrs P initially complained to MPG. It said in response:

- Mrs P had a DMP with another financial services provider – it took over this account in August 2014
- It had an introductory phone conversation with Mrs P very shortly after taking over the account, in which it discussed with her the options for becoming debt free as soon as possible
- It also explained during this conversation that Mrs P could undertake this task herself – but she was unsure about doing so
- As Mrs P's outstanding DMP did not project further than 12 months, she chose to remain with the plan – she was successful and made her last payment in August 2015
- It was unable to uphold her complaint

Mrs P then referred her complaint to us. She said:

- MPG failed to fulfil its obligation to make her aware of the free services she could receive
- Had she been aware of the free services, she would have decided not to proceed with MPG
- She would have become debt free sooner, because her entire payments would have gone to her creditors (without deduction of MPG's fees)

MPG initially supplied to us copies of Mrs P's payment history from August 2014, the terms and conditions she agreed with it, and correspondence relating to her complaint. At our adjudicator's request, it also supplied a recording of its introductory conversation with Mrs P in August 2014, and a copy of an introductory document it sent to consumers at that time.

Our adjudicator said she was not satisfied that the introductory document had been sent to Mrs P, or that she had been made aware of the option of free services. She noted:

- The introductory document drew attention to free services – but this document was not addressed to Mrs P, and had not been mentioned in the correspondence from MPG about her complaint
- In the introductory conversation, MPG had made clear that Mrs P could deal with matters herself, and that it would charge fees for dealing with matters for her – but the option of free services from other providers was not mentioned

Our adjudicator also noted Mrs P had told us that she would have opted for free services, had she been made aware of this option. But, having listened to the introductory conversation, our adjudicator said that she was not satisfied that Mrs P would have done so.

Our adjudicator concluded that, in compensation for its error in not giving information about free services, MPG should pay £150 to Mrs P.

MPG disagreed with our adjudicator. It said that it had sent the introductory document to Mrs P – but it had made an error by failing to mention this document in correspondence to Mrs P, for which it offered compensation of £50. It added that a February 2014 external audit had reported that it was meeting its obligation to tell consumers about the free services option.

Mrs P also disagreed with our adjudicator. She reiterated that she would have taken the option of free services. She wanted a full refund of all the fees she had paid to MPG.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Two key points need to be resolved:

1. Mrs P disagrees with MPG about whether it made her aware of the free services option – the available evidence is inconclusive, but our adjudicator was not satisfied that MPG met its obligations to make Mrs P aware
2. Mrs P disagrees with our adjudicator about whether she would have taken the option of free services, if she had been made aware of them – and the available evidence is again inconclusive

On the first point, I think it is reasonable to assume that MPG should be aware of the introductory information supplied to consumers two years ago. If MPG was aware and failed to mention the relevant document in its complaints correspondence with Mrs P, it had the opportunity to correct that error when it made its initial submission to us.

MPG says, in effect, that it made two errors of omission, which it then corrected – it made a further submission including a document that existed in August 2014, signposting free services. In later correspondence, MPG also told us about an audit undertaken in February 2014. But there is no supporting evidence that this document was passed to Mrs P.

The limited and delayed evidence means, on balance, I am unable to find that MPG did fulfil its obligation to tell Mrs P about the free services option. Which means MPG should pay compensation for this error to Mrs P. I also think that the figure recommended by our adjudicator is appropriate.

On the second point, it appears from the introductory conversation that Mrs P was satisfied with the service offered by MPG (and that service achieved the outcome sought by Mrs P). So, on balance, I am unable to find that Mrs P would have chosen the free service option. Which means that putting her back into the position she would have been in, had she been aware of this option, does not require a full refund of all the fees she had paid to MPG.

And so I have come to the same conclusion as our adjudicator, for the same reasons.

my final decision

For the reasons explained above, my final decision is that I uphold this complaint. In full and final settlement of it, I order Moneyplus Group Limited to pay compensation of £150 to Mrs P.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 2 September 2016.

Roy Mawford
ombudsman