

complaint

Mr H complains that Harrington Brooks (Accountants) Limited failed to give him relevant information about his debt management plan.

background

Mr H set up a debt management plan (DMP) with a different business in August 2013. HB took over the management of Mr H's DMP in September 2013.

Mr H complained to HB that it hadn't made him aware that interest and charges could continue to accrue on his debts. And it hadn't told him about the availability of free debt management services. Being unhappy with HB's response, he complained to this service.

Our adjudicator thought Mr H's complaint shouldn't be upheld.

Mr H disagreed with the adjudicator's conclusions, so the matter's been referred 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've decided not to uphold Mr H's complaint and I'll explain why.

I'll firstly deal with the part of Mr H's complaint that relates to information about interest and charges.

I note Mr H doesn't suggest he wasn't given a copy of HB's terms and conditions when it took over his DMP. And I see they include a term which says HB will attempt to agree with creditors that they'll freeze or reduce interest charges and suspend or withdraw any enforcement proceedings. But the same clause begins by pointing out that creditors aren't obliged to freeze interest and late payment charges.

So, I think HB took reasonable steps to make Mr H aware that creditors could still add interest and charges to his debts.

I'll turn secondly to the part of Mr H's complaint that relates to information about the availability of free debt management services.

When HB took over the management of Mr H's DMP in 2013 there was no mandatory obligation on businesses to tell consumers about free debt management services. But, as Mr H's representative's pointed out, there was Office of Fair Trading Guidance saying they should do so 'where appropriate'.

I haven't seen any information indicating the fees and monthly plan payments Mr H was making at the time were unaffordable to him. So, I don't have enough information to conclude it was unreasonable for HB not to draw the availability of free debt management services to his attention at that time.

Mr H's representative's also pointed out that from April 2014 there's been a duty to tell consumers about such services in the first written or oral communication a business has with them.

But HB had its first communication with Mr H when it took over the management of his DMP in 2013, before this obligation was introduced. So I don't think HB was required to tell Mr H about free debt management services at that time either. And, in these circumstances, I can't uphold his complaint.

my final decision

I don't uphold Mr H's complaint against Harrington Brooks (Accountants) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 January 2017.

Robert Collinson
ombudsman