

complaint

Mrs K complains about a debt reduction agreement that she took out with NEO Media Solutions Limited, trading as One Debt Solution. She complains that it did not pay money to her creditors as it had agreed to do.

background

Mrs K says that she entered into a debt reduction agreement with One Debt Solution. She made payments totalling £1,350 to One Debt Solution but only £227.40 was paid to her creditors. She complained to One Debt Solution but did not receive a response so complained to this service.

The adjudicator recommended that this complaint should be upheld. He concluded that One Debt Solution had not provided any evidence to show that Mrs K's creditors had been paid and that it had not followed the applicable complaints handling rules. He recommended that One Debt Solution should refund to Mrs K all the payments that she had made to it, less any that had gone to her creditors. He also recommended that it should pay interest on that amount and that it should pay £100 to Mrs K to compensate her for the distress and inconvenience that she had been caused.

One Debt Solution has not responded to the adjudicator's recommendations.

my findings

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

Neither Mrs K nor One Debt Solution has been able to provide a copy of the agreement. One Debt Solutions has not provided any evidence to show that it paid any of the money that it received from Mrs K to her creditors or that it properly dealt with her creditors and it has not responded to Mrs K's complaint. The evidence available to me shows that Mrs K paid a total of £1,350 to One Debt Solution between March 2011 and April 2012 but that only £227.40 was paid to her creditors.

I therefore consider that it would be fair and reasonable for One Debt Solution to cancel the agreement (if it has not already done so) and to refund £1,122.60 to Mrs K (which is £1,350 less £227.40), with interest. Mrs K will undoubtedly have been caused distress and inconvenience by these events and I consider that it would be fair and reasonable for One Debt Solution to pay £100 to her to compensate her for that distress and inconvenience.

my final decision

For these reasons, my decision is that I uphold Mrs K's complaint. In full and final settlement of it, I order NEO Media Solutions Limited, trading as One Debt Solution, to:

1. Cancel the agreement at no cost to Mrs K.
2. Refund £1,122.60 to Mrs K.
3. Pay interest on that amount at an annual rate of 8% simple from the date of payment to the date of settlement.

4. Pay £100 to Mrs K to compensate her for the distress and inconvenience that she has been caused.

If One Debt Solution deducts tax from the interest element of my award, it should send Mrs K a tax deduction certificate when making payment. She can then use that certificate to reclaim the tax if she is entitled to do so.

Jarrold Hastings
ombudsman