

complaint

Mr and Mrs L complain that Debt Advisory Line Limited (DAL) sold them a debt management plan which was not suitable for them. They also complain that they were not told they could receive free debt advice elsewhere.

Mr and Mrs L bring their complaint through their representatives – D – but for ease, I will refer to all submissions as if made by them direct.

background

In February 2009, Mr and Mrs L entered into a debt management plan with DAL. But in 2015, they complained about the plan.

They said that a better option for them would have been to enter into a debt relief order (DRO). If this had been offered to them, they would have been debt free sooner. They further complained that they had not been offered the alternative option of free debt advice.

DAL did not uphold their complaint so they came to this service where our adjudicator looked into matters for them. But she (the adjudicator) could not see that DAL had done anything wrong so Mr and Mrs L asked for an ombudsman's 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 am afraid I will not be upholding Mr and Mrs L complaint for the following reasons.

DRO

Mr and Mrs L submit that this option was the best one for their situation. But DRO's were not introduced until April 2009 – some two months after they entered into their debt management plan. As it was not an alternative available at the time, I cannot say that DAL has done anything wrong in not offering them this option.

alternative free advice

Similarly, the FCA guidance which Mr and Mrs L rely on in their submissions did not come into force until April 2014. So, I cannot say DAL should have made them aware of the alternatives in 2009.

suitability

Before entering into this debt management plan, Mr and Mrs L were required to fill out income and expenditure forms – and I have seen these.

These forms show the disposable income and a plan was set up accordingly. And I can see that the plan was reviewed regularly.

The guidance in force at the time suggested that DAL act in Mr and Mrs L's best interest. I can see nothing to suggest it did not do this.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 20 January 2017.

Shazia Ahmed
ombudscman