

complaint

Mr C complains Clear View Finance Limited didn't make all the monthly payments to his creditors that it agreed to make.

background

Mr C entered into a combined debt management and reduction plan with Clear View in 2012. Clear View said it would attempt to secure an overall reduction in the amount Mr C owed to his creditors. Once the overall debt had been established, Clear View said it would make monthly payments towards the debt, and would keep Mr C updated throughout.

Mr C paid £80 per month and he wanted Clear View to assist him with his one creditor. Clear View made four initial payments to the creditor of £55 and then made further payments of £1 for a few months. The last payments received by the creditor from Clear View were two payments of £85 towards the end of 2014.

In total, Mr C paid £2,560 to Clear View, and £493 was paid to his creditor.

As payments were not being made to Mr C's creditor in the way he'd expected, he complained to Clear View.

Clear View acknowledged the complaint in December 2014, but I cannot see Mr C has been contacted since then. As Mr C remained unhappy, he brought his complaint to the ombudsman service.

Our adjudicator didn't think it was fair that Clear View had not passed on all the payments it said it would to Mr C's creditor. She recommended Clear View refund all payments made by Mr C, less any payments that had been made to the creditor. She calculated how much this was. She also recommended Clear View pay Mr C £250 compensation for distress and inconvenience.

We have received no response from Clear View, and so the case has been passed to me for 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.

Clear View didn't administer the plan properly

Without any responses from Clear View, it's difficult to see what work it carried out on Mr C's behalf. However, it's clear that Mr C entered into the plan in order to reduce his debts. Mr C took out the plan on this basis, and was told he would be kept up-to-date. Mr C's debts have slightly reduced but he hasn't been kept up-to-date.

Clear View's agreement said it would get Mr C debt free in the shortest possible time, but it hasn't done this.

Considering Clear View hasn't demonstrated what work it carried out for Mr C other than making some sporadic payments, I don't believe it should be entitled to retain any fees. In

other words Clear View has not justified why it should be able to retain around 80% of the payments that Mr C paid it.

Clear view did make some payments to the creditor and we have evidence of what has been paid. I'm not proposing this money is refunded to Mr C.

Our adjudicator said that Mr C paid £2,240 to Clear View, but he actually paid £2,560. However, like the adjudicator, the amount I am recommending Mr C be repaid remains at £2,067 so I see no reason to change the proposed recommendations.

Clear View's level of customer service has not been good enough

The matter has also caused distress to Mr C, and he would have been understandably worried when he found out that the payments he was making to Clear View were not being passed on to his creditor properly, or that the debt was not being reduced significantly by Clear View's debt reduction plan.

Clear View also hasn't fully responded to the complaint from Mr C, and it hasn't responded to our service. This has caused further inconvenience to him. The award suggested by the adjudicator of £250 is reasonable.

my final decision

My decision is that I order Clear View Finance Limited to:

- refund Mr C £2,067, representing the payments he made to it of £80 a month between August 2012 and March 2015, less the amount paid to creditors;
- interest should be added to the above settlement, at a rate of 8% per year simple, from the date each payment was made, to the date of settlement;
- pay Mr C £250 for the inconvenience, frustration and worry it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 November 2015.

Joyce Gordon
ombudsman