

## **complaint**

Mrs H complains that, despite paying almost £3,000 to a debt management plan with Harrington Brooks (Accountants) Limited, her outstanding debt has not significantly reduced.

She is also unhappy that Harrington Brooks failed to provide a breakdown of her plan when asked.

## **background**

Mrs H entered a debt management plan with Harrington Brooks in June 2011. She paid £297 per month until March 2012 (although the November 2011 payment was missed) and these payments, less Harrington Brooks' fees, were to be distributed to just one creditor. In March 2012 Mrs H complained that her outstanding debt was not being significantly reduced.

She subsequently asked for a breakdown of the plan but says Harrington Brooks did not provide this.

Harrington Brooks says that it distributed payments to Mrs H's creditor as set out in its terms and conditions. It also says that its terms make clear that it can ask creditors to "*freeze or reduce interest charges*" but cannot guarantee that creditors will do so. As such, it says that it managed her plan correctly.

Our adjudicator upheld the complaint in part. She was satisfied that Harrington Brooks had generally distributed payments to Mrs H's creditor appropriately and that its terms set out the limit of its capabilities regarding creditors adding interest to debts. However, she felt that Harrington Brooks had failed to make a full payment to Mrs H's creditor on two occasions and had taken its monthly fee in November 2011 despite not receiving a payment to the plan.

Our adjudicator recommended that Harrington Brooks refund £156.05 to Mrs H, plus interest. She also found that Harrington Brooks had caused Mrs H a certain amount of distress and inconvenience by failing to tell her that her creditor had not frozen interest and by failing to provide a written breakdown of the plan when asked. She recommended that it pay Mrs H £100 to reflect this.

Harrington Brooks did not accept those conclusions so the matter was referred to me.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I uphold the complaint in part. I have, however, changed the redress proposed by our adjudicator.

I am satisfied that Harrington Brooks has distributed payments to Mrs H's creditor correctly, as follows:

- Mrs H paid Harrington Brooks £297 every month from June 2011 to March 2012 (except November 2011), totalling £2,673.
- Mrs H's creditor has confirmed that it received £1,660.20. This confirms what Harrington Brooks says it distributed.

- Under the terms of the plan, Harrington Brooks' fees were the first two months' payments (June and July 2011) plus a monthly fee of £52.35 from August 2011. This comes to £1,012.80.
- £1,660.20 + £1,012.80 = £2,673.

So I am satisfied that the money Mrs H paid to Harrington Brooks has been accounted for.

I am also satisfied that Harrington Brooks' terms and conditions say that it will "*attempt*" to have interest reduced or frozen but does not guarantee this. Whilst it is not clear that this was fully explained to Mrs H, I have seen no evidence that Mrs H's decision to enter the plan was dependent on Harrington Brooks guaranteeing that it could freeze interest on her debt.

More importantly, Mrs H's creditor has told us that it was aware of Mrs H's debt management plan in September 2011 but chose not to reduce the interest being added to her account at that time. It finally did so in February 2013 and has since suspended interest altogether. In the circumstances, I do not consider Harrington Brooks can be held responsible for Mrs H's creditor continuing to add interest to her account while it was administering the plan.

However, I find Harrington Brooks' handling of Mrs H's plan was, at times, poor. Its internal notes show that Mrs H was concerned that interest was being added to her debt from March 2012. In May 2012, its notes record that Mrs H was "*upset at fact that... debt hasn't reduced.... Requested explanation in writing*". When she again asked for a written explanation later the same month, Harrington Brooks told her this was "*not possible as we work on a dialler, so we work via the phone*". This was not an adequate response to a reasonable request and a breach of the Office of Fair Trading's debt management guidance.

Also, Mrs H says that Harrington Brooks continued to harass her after she ended the debt management plan and brought her complaint to this service. For example, she has sent us an email from Harrington Brooks dated 13 May 2013, over two years after she ended the plan. The subject line is "*urgent!!!*" and the text begins "*You need to call me urgently, I don't appreciate you hanging up on me when I'm trying to help you*". I find the tone of this email to be unnecessarily aggressive and understand why Mrs H would be upset by it.

I find that Harrington Brooks caused Mrs H a certain amount of distress and inconvenience in its correspondence with her. Having considered the general levels of awards this service makes in this area, I assess a fair award at £150. I make no other order or award.

Mrs H is under no obligation to accept my decision; if she does not, she remains free to pursue the matter in other ways, such as through the courts.

### **my final decision**

My final decision is that I uphold this complaint in part and order Harrington Brooks (Accountants) Limited to pay Mrs H £150.

Simon Begley  
**ombudsman**