

complaint

Mr W complains that the debt reduction and debt management plan he set up through Clear View Finance Limited was not reducing his debt as he was led to expect.

background

Mr W agreed the plan with Clear View in 2013. The agreement said the aim would be to assist Mr W in becoming debt free at the least cost and in the shortest possible time. He was paying Clear View £80 a month, but then discovered that only £1 of that was being paid off his debt.

Following our involvement Clear View agreed to refund £1,342 in full and final settlement of the complaint. That amounted to a refund of all the money Mr W had paid Clear View, less a proportion of the fees and the £23 which had been paid to his creditors, plus an additional £100 in compensation. Mr W agreed to accept that offer in settlement of his complaint. At one point Clear View confirmed that it would be paying Mr W in a week's time. But nearly two months later it has not made the payment.

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 did not make it clear to Mr W how little of his payment would be and was being used to pay off the debt, when other attempts to reduce the debt had either failed or had not been pursued. If he'd been aware of that I'm not sure he would have made the agreement at all. But if he had still gone ahead, I'm sure he would have ended the agreement far sooner if he had known how little his debt was reducing. I think it remains fair and reasonable for Clear View to make the previously agreed payment to Mr W.

my final decision

My decision is that I uphold this complaint. In full and final settlement I order Clear View Finance Limited to pay Mr W £1,342.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 September 2015.

Hilary Bainbridge
ombudsman