

## **complaint**

Miss N 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 any money to her creditor and that it did not respond to her concerns satisfactorily.

## **background**

Miss N entered into a debt reduction agreement with One Debt Solution in March 2011. She made payments totalling £1,400 to One Debt Solution, none of which was paid to her creditor. 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 communicated with Miss N's creditor but that she had paid £1,400 to One Debt Solution between April 2011 and July 2012. He recommended that One Debt Solution should refund £1,400, with interest, to Miss N and that it should pay her £100 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.

One Debt Solution has not provided any evidence to show that it performed any services for Miss N under the agreement. Miss N's creditor has confirmed that it received no communication from One Debt Solution concerning Miss N's debt to it. Miss N's bank statements show that she made 14 payments of £100 each to One Debt Solution between April 2011 and July 2012. None of that money has been paid to her creditor. One Debt Solution has stopped communicating with Miss N and it did not respond to her complaint.

I therefore consider that it would be fair and reasonable for One Debt Solution to cancel the agreement and to refund £1,400 to Miss N, with interest. Miss N will undoubtedly have been caused distress and inconvenience by these events and I consider that a larger award of compensation than was recommended by the adjudicator is justified in these circumstances. I consider that it would be fair and reasonable for One Debt Solution to pay £200 to Miss N to compensate her for the distress and inconvenience that she has been caused.

## **my final decision**

For these reasons, my decision is that I uphold Miss N'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 Miss N.
2. Refund £1,400 to Miss N.
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 £200 to Miss N 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 Miss N 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**