

## **complaint**

Miss L and her representative are unhappy about the advice she was given by Baines & Ernst Limited to enter into a debt management plan. They say it was mis-sold to her and wasn't the appropriate solution for her situation. There were also other free alternative services which she wasn't told about. She wants compensation and to be put back in the position she would've been in if she hadn't entered into it.

## **background**

Our adjudicator felt this complaint shouldn't be upheld. He said:

- Miss L spoke to Baines & Ernst and provided it with a full and sufficiently detailed disclosure of her income and outgoings. This doesn't match the information she's given her representative. But it was accepted in good faith by Baines & Ernst. It suggests why other options such as a Debt Relief Order weren't offered. It also indicated the plan was affordable.
- When Miss L took out the debt management plan Baines & Ernst wasn't obliged to tell her of other organisations giving free advice unless it was appropriate to do so. It now says it wasn't appropriate. Miss L readily accepted the terms of the debt management plan. And it was unlikely she wouldn't have taken it up.
- He can't now say Baines & Ernst hadn't sufficiently assessed her situation. The plan was an appropriate solution for her. The debt management plan wasn't mis-sold.

Miss L's representative doesn't agree and has asked for an ombudsman review. In summary it says Miss L received a benefit which shouldn't have been taken into account. If it hadn't been she would've qualified for a Debt Relief Order. She also wasn't told, as she should've been, of the free options available to her. If she had been she wouldn't have used Baines & Ernst. She'd have used a free service if she'd known about it. Baines & Ernst didn't fulfil its obligations.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss L's representative has provided detailed submissions to support the complaint. I've read and considered them all. But my findings are expressed in considerably less detail. And they focus on what I think are the main issues.

Taking everything into account I agree with the adjudicator's conclusions for the same reasons.

I also note that the income and expenditure summary completed by Miss L doesn't specifically note the payment of the benefit her representative highlights even though there is a named section for it on the form. So, it's not possible to say if it was specifically brought to Baines & Ernst's attention. The form just records Miss L's take home pay and another named benefit she received.

On balance I don't think the debt management plan was mis-sold to Miss L as is suggested or that she wasn't reasonably advised of her options.

Overall I don't think I can fairly or reasonably require Baines & Ernst to make a payment of compensation to Miss L as she'd like. And I don't see any compelling reason to change the proposed outcome in this case.

**my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 3 October 2016.

Stephen Cooper  
**ombudsman**