

## **complaint**

Mrs K, represented by a claims management company (CMC), complains that Angel Advance Limited (the business) advised her to enter into a debt management plan (DMP) when an individual voluntary arrangement (IVA) would have been more suitable. She also complains that she was not told about the free debt services available.

## **background**

Mrs K says that the business provided the wrong solution for her to deal with her debt and that an IVA would have been more suitable.

The CMC says that the business said Mrs K chose to enter into a DMP rather than an IVA but Mrs K says she was advised that the DMP was more suitable. Mrs K says that 18 months after entering into her DMP she asked the business about an IVA and was advised that the DMP remained the best solution.

Mrs K says that she was only briefly told about the availability of free debt services in a review call in July 2015. The CMC says that if Mrs K had been told about the free debt services when she first contacted the business she would not have agreed to the DMP.

The business says that Mrs K approached it in March 2014 and that an IVA was discussed. It says Mrs K said she didn't want to enter into an IVA as she jointly owned her house and did not wish the other party to know about her situation. Because of this it says she decided to enter into a DMP.

The business says that Mrs K entered into her DMP before April 2014 but that she was told at the outset and on subsequent occasions about the free debt services available.

In regard to the other concerns raised about Mrs K's DMP, the business says that its terms and conditions set out that interest and charges would not always be frozen and the impact the DMP would have on her credit file. It says that it did carry out reviews of Mrs K's DMP.

The adjudicator did not uphold this complaint. He said that it was more likely than not that the business would have made Mrs K aware of the option of free debt services. He also said that on balance he didn't think being told about the free debt services available would have made a difference to Mrs K's decision as she continued with the DMP after there is evidence of her being told of the free services available.

The adjudicator said that Mrs K did not deny that she chose not to proceed with an IVA due to her personal circumstances and so he found it likely there was a discussion about this. He said that the business confirmed that in June 2016, Mrs K said that the problem was not that she thought she should be in an IVA but that she couldn't remember a discussion about this.

The CMC said that Mrs K was not complaining that she was not told about an IVA but that the information she was given in regard to her being a homeowner and the impact of this with an IVA was not correct. It says that Mrs K has now entered into an IVA.

## **my findings**

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

Mrs K has raised a number of concerns in regard to the DMP she entered into with the business in 2014. She initially said that she was not told about the impact the DMP would have on her credit file or that her creditors could continue to charge interest. I have looked at the terms and conditions provided for the DMP and I find that it does provide Mrs K with the information she needed in regard to these items and other factors relevant to the DMP.

The CMC also says that Mrs K was not told about the free debt services available at the start of her DMP and that had she been then she would not have entered into the DMP. Mrs K entered into her DMP in March 2014 which was before the requirement to inform customer of debt free services was introduced in April 2014. That said, the business has said that Mrs K was made aware at the outset about the free debt services available.

I have looked through the information provided by both parties and there is a discrepancy in regard to whether or not Mrs K was told about the free debt services at the outset. Mrs K has said she was briefly told about free debt services in July 2015 and the business notes support this. I also note that the business' information sent out in late 2015 and onwards included information about free debt services.

On balance, I find it more likely than not that Mrs K was made aware of the free debt services available. Even if this did not happen at the outset, which was before the requirement was introduced, given Mrs K continued with her DMP after being informed of these services, I do not find any evidence that she would have acted differently.

The final issue regards the information provided about an IVA. The business says that it discussed an IVA with Mrs K and she chose not to enter into this. The information provided on behalf of Mrs K initially said she did not remember discussing this option and then said that although it was discussed she was given incorrect advice.

I have looked at the information provided and I find it more likely than not that Mrs K was told about an IVA and that this could be a suitable option for her. It was her decision to then not take this option and look at other ways to deal with her debts.

I find that the information provided to Mrs K was sufficient for her to make an informed decision about whether or not to enter into the DMP.

On balance, I do not find that the business has done anything wrong.

### **my final decision**

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 28 December 2016.

Jane Archer  
**ombudsman**