

complaint

Mrs W complains about the service she received from Harrington Brooks (Accountants) Limited under her debt management plan.

background

Mrs W set up a debt management plan (DMP) with a different business in April 2013. HB took over the management of Mrs W's DMP a few days later.

Mrs W complained to HB about a number of aspects of the service it had given her. And, being unhappy with its response, she complained to this service.

Our investigator thought Mrs W's complaint shouldn't be upheld.

Mrs W disagreed with the investigator's conclusions, so the matter's been referred to me to make a final decision.

my findings

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

I've decided not to uphold Mrs W's complaint and I'll explain why.

Mrs W says she would've been better served by entering into an individual voluntary arrangement rather than a DMP. And she says HB should've advised her accordingly.

Mrs W also says HB didn't tell her about the availability of free debt management services.

In addition, Mrs W says her DMP wasn't regularly reviewed by HB to ensure it remained an appropriate and affordable solution. And she says she wasn't made aware of the damage being on a DMP would cause to her credit file. Or that she would still receive correspondence from her creditors.

I note that approximately two months after taking out her DMP Mrs W entered into an individual voluntary arrangement in its place. And I note this meant she incurred additional set up costs. But I don't have enough information to conclude a DMP wasn't appropriate for Mrs W when it was set up in April 2013 or when it was transferred to HB a few days later. The short timescale involved also means I don't think it would be realistic to expect regular reviews of Mrs W's DMP to have taken place.

When Mrs W's DMP was transferred to HB in April 2013 there was no mandatory obligation on businesses to tell consumers about free debt management services. But there was Office of Fair Trading guidance saying they should do so 'where appropriate'. I haven't seen any information indicating the fees and monthly plan payments Mrs W was making at the time were unaffordable to her. So, I don't have enough information to conclude it was unreasonable for HB not to draw the availability of free debt management services to her attention.

I note when Mrs W's DMP was transferred to HB it conducted a welcome call with her in which there was discussion of default notice letters from creditors and the reporting of

default notices on her credit file. So, I think HB took reasonable steps to make Mrs W aware that a DMP wouldn't prevent adverse consequences for her credit file as a result of her debts. And that it wouldn't prevent her creditors communicating with her.

So, for these reasons, I can't uphold Mrs W's complaint.

my final decision

I don't uphold Mrs W's complaint against Harrington Brooks (Accountants) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 21 March 2017.

Robert Collinson
ombudsman