

complaint

Mr V complains that a county court judgment was entered against him at a time when Angel Advance Limited was managing his debts.

background

Mr V entered into an agreement with Angel Advance to manage his debts. This involved Mr V paying a monthly payment, part of which was taken as a management fee and the balance applied to repay Mr V's creditors.

Mr V says that Angel advance contacted him and told him that it had made payments to duplicate accounts for a single creditor, and that it intended to remove one account and pay the other. Mr V says that Angel Advance acted incorrectly because this resulted in one loan not being paid. Mr V says that this loan was subsequently sold to a debt recovery agency, who obtained a county court judgment (CCJ) without his knowledge.

Mr V says that Angel Advance are responsible for the CCJ because it failed to pay the creditor. He wants compensation for the loss of earnings he says he has suffered because the CCJ is preventing him from obtaining employment.

Angel Advance says the CCJ was obtained before it received authority to act for Mr V, and that it's not responsible.

The investigator didn't uphold the complaint. She said that the CCJ was obtained prior to Angel Advance having authority to act for Mr V, and that at the time the CCJ was obtained, Mr V was using another debt management company called Immediate Finance.

Mr V says that he sent the authority to act form back three times. He says that Angel Advance shouldn't have deleted the duplicate account without checking with his previous debt management company.

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 can see that Mr V approached Angel Advance in late 2014. I can also see that Angel Advance tried to contact Mr V on numerous occasions throughout 2015 asking him to return his letter of authority. Mr V's letter of authority was received by Angel advance on 25 January 2016.

The CCJ was granted on 5 January 2016 in relation to a Santander account. Because Angel Advance didn't receive authority to act for Mr V until 25 January 2016, I can't fairly hold them responsible for the CCJ, because it wasn't authorised to speak to Mr V's creditors and negotiate with them prior to 25 January 2016.

In relation to the duplicate account, Angel Advance has explained that in February 2016 a duplicate Santander debt was removed from Mr V's debt management plan. This happened because Apex Credit Management contacted Angel Advance and said it was managing the debt on behalf of Santander, so there was no need to write to or make payments to both Santander and Apex.

Angel Advance has confirmed that there is no CCJ attached to the Santander debt detailed above. I can't see any reason why Angel Advance should have contacted Mr V's previous debt management provider at this point, because Immediate Finance weren't managing the debt - Apex were.

The CCJ which Mr V is unhappy about relates to a different Santander account. This account was being managed by Mr V's previous debt management provider (Immediate Finance) and is now being managed by Robinson Way.

Taking all of the circumstances of this case into account, I can't say that Angel Advance were responsible for the CCJ and I won't be asking it to pay compensation.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 18 January 2018.

Emma Davy
ombudsman