

## **complaint**

Mrs M has complained about Christians Against Poverty's management of her debt in 2011-2012 when she was in a debt management plan with her (now ex-) husband. She wants them to pay back arrears that built up towards her mortgage, as well as arrange to remove County Court Judgements.

## **background**

Mrs M and her husband entered into a debt arrangement with Christians Against Poverty (CAP) in early 2011. But just over a year later Mrs M decided to go elsewhere for debt advice. She decided to accept bankruptcy in August 2012.

After her divorce from Mr M in 2016, Mrs M didn't feel her finances had been managed well. She complained CAP hadn't treated her properly. Specifically she:

- Was unaware of CAP's representations to Court about her debts;
- Hadn't known about two County Court Judgements (CCJ) against her;
- Felt they were responsible for the state of her credit record;
- Felt CAP hadn't paid the full amount of monthly mortgage payments which meant she had mortgage arrears;
- Thought CAP's strategy to get Mr and Mrs M to save amounts into a plan rather than these all being paid to debtors led to these problems; and
- Didn't think CAP had treated her fairly when she held a joint plan with her husband and there'd been a conflict of interest.

CAP responded to Mrs M. Overall they didn't think they were at fault but accepted they'd paid amounts towards the mortgage which were slightly less than what was owed (although these amounts had been agreed by Mr and Mrs M). They offered Mrs M £156.38 for the shortfall in those payments. They also offered her £360 for her fair share of the pot that existed when she withdrew from the plan.

Mrs M didn't agree this was fair and brought her complaint to the ombudsman service. She also shared detailed correspondence over a period of years.

Our investigator reviewed the detailed evidence Mrs M provided as well as CAP's evidence. She stressed we could only look at whether CAP had done what they should in providing a debt management plan. That included keeping Mr and Mrs M advised of their debt options and making regular payments. Overall she wasn't going to ask CAP to do anything further. They'd worked from information Mr and Mrs M had both provided and agreed was right. She appreciated Mrs M had allowed her husband to handle this whole issue but didn't think she could hold CAP responsible for anything Mr M hadn't told her about.

Mrs M remained unhappy. She's asked an ombudsman to make a decision on her complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached roughly the same conclusion as our investigator. I'll explain why.

Firstly it's worth repeating what our investigator said. Although Mrs M has sent us a lot of information about the impact of what's happened – which I don't dispute – I'm only considering the actions of CAP. Did they set up a plan as they agreed with Mr and Mrs M? Did they provide them with clear advice about their debt options? Did they do what they said they'd do? So for example, did they ask their creditors to suspend interest and charges whilst Mr and Mrs M were in a plan with CAP?

I know Mrs M has raised a number of issues about CAP's overall strategy, their financing and their approach. However the ombudsman service isn't the regulator for financial businesses so I can't consider these issues. If Mrs M wants to pursue these further, she needs to raise these with the Financial Conduct Authority.

I also think it's relevant to consider Mr and Mrs M's finances when they felt they needed to seek help. They had over £100,000 unsecured debt, as well as a mortgage. Some credit cards were in Mrs M's sole name and other debts – like the mortgage – were joint debts. Mrs M has told us she left things to her husband. He sorted out the arrangement with CAP: *"I admit I left it to him"*.

I can see she signed the agreement with CAP on 17 February 2011. I'm satisfied CAP made it clear how their plan worked.

CAP also provided two other crucial documents about Mr and Mrs M's plan with them. One was their detailed monthly financial statement dated 10 March 2011. I've seen no evidence Mr and Mrs M raised any concerns with the figures on this statement. It was this statement CAP worked from when they got in touch with Mr and Mrs M's creditors and made payments to them. There's no doubt this led to a shortfall of payments, for example, on Mr and Mrs M's mortgage, but I can't see this is CAP's fault. But in fact CAP has offered to make up this shortfall by making a payment of £156.38 to Mrs M.

I know Mrs M is concerned about the arrears that built up on their mortgage which totalled £6,385 at a much later date. But this didn't happen in 2011 when Mrs M had an arrangement with CAP.

Mrs M is upset that two of her credit card debts ended up in CCJs on her record. But those businesses were requiring her to pay £160 and £200 a month when Mr and Mrs M were offering a £1 a month. I don't think there's any real surprise those businesses took action to secure their debt, and in one case, got a charging order set up against Mr and Mrs M's property.

Mrs M believes she didn't know what was going on and that CCJs would be the result. But I'm sure CAP were sharing all they needed to with Mr and Mrs M. And information on the CCJs were sent to Mrs M at her address.

I appreciate Mrs M feels her husband may have been either hiding what was going on or was mistaken in what he'd been telling CAP. But I don't believe it would be fair to hold CAP responsible for his actions. As Mrs M has admitted, at the time she allowed her husband to sort things out. Based on the evidence I've seen, I'm satisfied CAP managed their plan as I'd expect them to.

So for example I can see CAP asked their creditors to suspend interest and charges. But they also confirmed to Mr and Mrs M there was no guarantee this would happen. We expect

debt management companies to try and arrange suspension of interest being added to the account. I think, in Mr and Mrs M's case, they did what I'd expect.

I've also seen the letter – which Mrs M shared with us – CAP wrote on 28 June 2011. CAP's advice about Mr and Mrs M's debts seems clear to me. At that time, they were suggesting that bankruptcy may be the best option. Mr and Mrs M owed a lot of money. A debt management plan in the long-term was never going to be workable. And, of course, bankruptcy is what Mrs M felt she had to opt for a year later.

When Mrs M withdrew from the arranged plan with CAP, she had the right to get her fair share of the money remaining in her and her husband's CAP savings account (part of their debt plan). CAP admitted they didn't advise her she'd need to sort out with her husband how the money should be split. Mrs M was given £385 so CAP offered her a further £360. At that time there was £1,490 in the savings account. I think this is a fair resolution.

I've also considered whether CAP did anything wrong in mostly dealing with Mr M on their joint debt plan or were impartial. But I've not seen anything to show this although I appreciate Mrs M's strength of feeling on this issue.

Mrs M was concerned our investigator hadn't reviewed all of the points she'd made. Similarly I've concentrated on what I believe are the main issues to decide what I think about the complaint. I don't doubt there's been a massive impact on Mrs M because of the problems she's had with her finances. And it must have been a great worry not being sure what the future of her home is. Overall I don't think it would be fair to hold CAP responsible for what happened.

### **my final decision**

For the reasons I've given, my final decision is not to uphold Mrs M's complaint against Christians Against Poverty. CAP has offered to give Mrs M £516.38 and I leave it to her to decide whether she wants to accept this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 9 April 2018.

Sandra Quinn  
**ombudsman**