

### **complaint**

Mr P complains that Foundation for Credit Counselling, trading as StepChange Debt Charity, gave him wrong advice.

### **our initial conclusions**

When Mr P asked StepChange for advice, it advised him to make token payments of £1 to his unsecured creditors. But Mr P says this has led to his creditors selling the debts to debt collection agents.

The adjudicator did not recommend that the complaint should be upheld. She concluded that StepChange had given appropriate advice, had recommended that Mr P keep in contact with his creditors and had told him his creditors might take action against him and record defaults on his credit file. Mr P responded to say he did not agree.

### **my final decision**

To decide what is fair and reasonable in this complaint, I have considered everything that Mr P and StepChange have provided.

StepChange no longer has records from the time when Mr P first contacted it and it advised him to make token £1 payments to his unsecured creditors. But, from the evidence both parties have provided, it seems that at that time Mr P's outgoings exceeded his income. In these circumstances, I consider the advice was appropriate. StepChange advised Mr P this should be a temporary measure which reflected his willingness to pay and that he should keep in contact with his creditors to discuss repayment as and when his circumstances changed. I consider StepChange gave him enough information for him to understand his creditors might still consider taking action to collect the debts, including selling the debt to debt collection agencies.

I conclude that the advice given by StepChange wasn't wrong in Mr P's circumstances and **my decision is that I do not uphold this complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mr P either to accept or reject my decision before 24 August 2015.**

*Elizabeth Dawes*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.