

complaint

Mr M has complained that The Debt Dissolver Ltd did not correctly distribute the payments he made to it under a debt management plan. Further, it has not responded to any of his concerns regarding this.

background

Mr M explained he has been making payments to The Debt Dissolver since 2011. He paid £150 per month, of which £30 was a management fee, and the remaining £120 was to be passed to his creditor. However, he noticed his debt was not reducing as much as he thought it should be, so made enquiries with the creditor, who supplied its annual statements and a full list of payments received. From this, it appeared that not all of the payments had been passed on. When The Debt Dissolver did not respond to his queries, he referred the complaint to this service.

Our adjudicator recommended that the complaint should be upheld, as she was persuaded that Mr M had made all of the appropriate payments, but that this had not always been correctly passed on. She recommended that The Debt Dissolver refund Mr M seven payments of £150, plus interest, and pay him £200 compensation for the distress and inconvenience caused. The Debt Dissolver did not respond.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

First, I note that The Debt Dissolver held two different consumer credit licences: one from 27 November 2007 to 28 November 2012, the other from 22 January 2013 to 31 March 2014. It did not hold a valid consumer credit licence between these dates. This means I can only consider its acts or omissions during the two periods it held a licence.

Using the opening and closing balances of the two annual statements provided by the creditor, and the separate list of transactions it supplied, I have established the following:

- Between 12 April 2012 and 10 April 2013, the creditor's statement indicates that eight payments of £120 were received – totalling £960.
- On 15 April 2013, the creditor's list of transactions shows a payment of £120 was received.
- Between 23 April 2013 and 22 April 2014, the creditor's statement and the transactions list show that £900 was received - five payments of £120 via the debt management plan arrangement, arrangement, and two payments of £150 directly from Mr M.
- The closing balance on the 2013 statement and the opening balance on the 2014 statement show a difference of £120, so I am satisfied the payment received on 15 April 2013 has been accounted for.

Mr M stopped making payments to The Debt Dissolver in early 2014. Since that time he has been making his payments of £150 per month directly to the creditor. So, I am satisfied that of the 24 monthly payments which were supposed to be received over this period, of which 22 should have come through the debt management plan, only 14 of those were received by the creditor. This leaves eight payments unaccounted for. One of these fall within the period that The Debt Dissolver did not hold a licence, so I am unable to count this one. However, it

leaves seven payments that Mr M should be refunded, including the management fees related to each of these payments, as The Debt Dissolver was clearly not managing the account at these times.

Fortunately, it does not appear that the creditor applied interest or charges to the missed payments, so I do not need to consider this issue.

I can also see that despite numerous attempts from Mr M, the creditor and this service, The Debt Dissolver has not responded to any of the concerns, information requests or the adjudicator's view. It is clear to me that this has been distressing for Mr M, in addition to the distress he felt at not having his account managed properly. I consider £200 compensation to be appropriate to address this.

my final decision

For the reasons given above, it is my final decision to uphold this complaint. I require The Debt Dissolver Ltd to:

- a) refund Mr M £1,050 (7x£150) for the seven payments which are unaccounted for, including fees;
- b) add simple interest at 8% per annum on the above sums above, from the date of each payment, to the date of settlement. For the purposes of calculating interest, I have concluded that the missing payments are those made on the 15th of each month in April and July 2012, and April, May, October, November and December 2013; and
- c) pay Mr M £200 for distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 18 May 2015.

Elspeth Wood
ombudsman