

complaint

Mr G and his representative are unhappy about the advice he was given by Debt Management Associates Limited (trading as Money Village) to enter into a debt management plan. They say it wasn't the appropriate solution for his situation. He'd have been better with a debt relief order. Mr G wants compensation and to be put back in the position he would've been in if he hadn't entered into the plan.

background

Our adjudicator felt this complaint shouldn't be upheld. She said:

- Money Village says it purchased a number of debt management plans from another business in July 2012. Mr G's was one of them. So, Money Village couldn't have sold the debt management plan to him.
- In July 2012 Money Village wrote to its new customers including Mr G. It reminded him of the terms of the debt management plan and payments he'd agreed to make. He returned the letter of authority in August 2012.
- Money Village made a number of attempts to contact Mr G so that it could review his financial circumstances. But without success or any reply. Mr G later cancelled the plan in November 2014.
- Money Village wasn't in a position to advise Mr G during the time it took over the plan. She can't agree it mis-sold the plan. And she's not able to recommend it should do anything.

Mr G's representative has asked for an ombudsman review. It says Money Village should be regarded as a successor firm. Mr G felt a rebranding had taken place and he was on the same plan. Money Village is responsible for the advice given by the business that set up the plan. It should've advised Mr G when it took over the plan.

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 agree with the adjudicator's conclusions for the same reasons.

I note that the welcome letter from Money Village to Mr G in July 2012 clearly says the plan he took out with the original business has been "*transferred*" to it. It also makes reference to new updated terms and conditions. And it says there will be no change in his payments into the plan. Mr G appears to have accepted this by returning the letter of authority which enabled Money Village to continue managing his plan.

On balance I don't think Money Village can reasonably be held responsible for whatever advice Mr G was given by the original provider of the plan.

Once it took over the plan Money Village clearly made a number of attempts to get more information from Mr G about his circumstances. But its efforts were unsuccessful. As a

result, and as Money Village says, it was therefore never in position to advise Mr G as to what was appropriate for him at that time.

Taking everything into account I don't think Money Village mis-sold the debt management plan to Mr G as is suggested. And I don't think I can fairly or reasonably require Money Village to do anything including making a payment of compensation to Mr G, as he'd like.

Overall, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 October 2016.

Stephen Cooper
ombudsman