

complaint

Mr F complains about a debt management plan he had with DFH Limited. He says DFH didn't tell him he could get debt management services for free elsewhere. He'd like a refund of the fees he has paid DFH.

background

Mr F started his debt management plan with DFH in May 2010. He agreed to pay £475 into the plan each month; DFH kept just over £80 of that as its fee for the service.

In 2015, Mr F realised he could get the same service elsewhere for free. He cancelled his plan with DFH and arranged a free debt management plan with another provider. In 2017, he complained to DFH about the fees he'd paid it.

DFH said Mr F had complained too late, because it had been more than six years since he'd started his debt management plan. Our investigator didn't agree Mr F was too late, because he'd complained within three years of when he said he'd found out that free services were available.

DFH then consented to our looking into the complaint. It also said Mr F could have found out about free services by visiting one of the websites it had given him details of when he set up the plan. But it also said that, in 2010, it didn't have to tell him about free services.

The investigator thought DFH was right. She said rules which came into force in April 2014 meant debt management companies should tell consumers that free services were available. But she found Mr F had taken out his plan some years before the new rules took effect, and he hadn't completed any annual reviews of his plan with DFH after April 2014. She didn't think DFH had treated him unfairly by not telling him about free services.

Mr F said DFH should still have told him about free services from April 2014 onwards, as his plan continued to run – and he continued to pay DFH – until October 2015. He sent in correspondence he'd had with DFH after April 2014, and pointed out that none of it mentioned he could get the service for free. He also said he'd been in touch with DFH in 2014 and 2015 about settling the debts and he felt it had given him poor advice.

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 the same overall conclusion as the investigator, for much the same reasons.

I agree with the investigator that DFH didn't have to tell Mr F about free debt management services before April 2014. The new Financial Conduct Authority rules about this which came into force in 2014 weren't retrospective.

I think there were opportunities for DFH to have told Mr F about free services after April 2014. But DFH's records satisfy me that it invited Mr F to do annual reviews in 2014 and 2015, and he didn't go ahead with them. While Mr F was in touch with DFH after April 2014, this was because he felt he'd already paid enough to settle his debts. DFH's records say it asked Mr F to get back in touch if he couldn't afford the monthly payments under the plan, or if he wanted it to ask his creditors about settlement figures. Mr F doesn't appear to have

pursued the matter then, so I don't think DFH was under an obligation at that stage to have alerted him to the availability of free services.

I recognise that Mr F feels strongly about this matter and he's very unhappy with the service he received from DFH. But I can't fairly conclude it did anything wrong in not telling him about free services.

Mr F has recently said he's also unhappy with other aspects of the service he received from DFH. He's taken that up as a fresh complaint with DFH, so it's not appropriate for me to make any findings about it here.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 December 2017.

Janet Millington
ombudsman