

complaint

Miss C, who is represented by a third party, complains Haydon Associates Debt Management Consultants Ltd (trading as “Resolve Money Matters”) mis-sold its debt reduction plan to her.

background

Miss C says she agreed with Resolve Money Matters that it would manage her debts for her. She subsequently complained that it was only making £1 token payments to her creditors, despite her paying it £99 a month, and that it wasn't dealing with her creditors. She said that Resolve Money Matters had mis-sold a debt reduction plan to her. She said that it had made the situation with her creditors worse.

Resolve Money Matters investigated Miss C's complaint, explained some of the other products it offered and offered to refund approximately £400. Miss C was unhappy with this response and so complained to us.

Our adjudicator recommended that this complaint be upheld as she considered Resolve Money Matters had mis-sold its debt reduction plan to Miss C. She recommended it refund the payments Miss C had made less the amounts Resolve Money Matters had paid to creditors together with interest and £150 in compensation for distress and inconvenience. I was asked to make a final decision as Resolve Money Matters didn't reply to our adjudicator's recommendations.

my findings

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

Miss C was already receiving help with her debts – a debt management plan – when she was contacted by Resolve Money Matters. They said that the product that they offered was better because they would also review Miss C's credit agreements for enforceability and for potential PPI claims. Had it not been for this, Miss C wouldn't have agreed to switch to Resolve Money Matters.

Resolve Money Matters didn't explain its product properly to Miss C. It made token payments to her creditors for almost two years – prior to this Miss C's creditors were receiving meaningful payments. The vast majority of the £99 Miss C was paying to Resolve Money Matters was used to pay its fees. Had it explained these things, Miss C wouldn't have agreed to its debt reduction plan. In short, I agree with our adjudicator that Resolve Money Matters mis-sold its product to Miss C. Its debt reduction plan wasn't suitable for her, nor was it in her best interests to make token payments only.

Given the above, I'm going to uphold this complaint and require Resolve Money Matters to refund the fees Miss C has paid. I'm also going to make an award of £250 for distress and inconvenience. I feel the amount our adjudicator recommended is on the low side.

my final decision

My final decision is that I require Haydon Associates Debt Management Consultants Ltd to:

- refund £2,084.08 – in other words the amount Miss C has paid to them less the amounts paid to her creditors – together with interest at 8% per annum simple from the date of each payment was made to the date of settlement; and
- pay Miss C £250 for the distress and inconvenience it has caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss C to accept or reject my decision before 21 September 2015.

Nicolas Atkinson
ombudsman