

complaint

Mr Q has complained that Bournes Limited, trading as Bournes Debt Solutions, sold him a debt management plan he didn't need. He is also concerned that they didn't pass on the payments he made to them and didn't tell him what would happen to his credit file when he entered a debt management plan.

background

Mr Q had one debt and entered into a debt management plan with Bournes Debt Solutions in 2012. His debt did not go down as he had expected and by early 2014 still stood at over £2,800 which he felt was not fair.

He complained to Bournes but was unhappy with their response. He brought his complaint to the ombudsman service.

Our adjudicator was never able to get Bournes to respond to our questions, nor Mr Q's single creditor. Her assessment was that Bournes had collected more than £3,885 from Mr Q. And had only paid out a maximum of £1,515 to his creditor. As she felt that Bournes had not explained why a plan of this nature was suitable for Mr Q, she thought Bournes should repay all money that had not gone to creditors along with £200 for the inconvenience they had caused.

Bournes has since gone into administration and our adjudicator has shared her assessment with the administrators. They weren't able to confirm, at that time, whether there were any funds in the company account which could be used to settle this dispute.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive, or contradictory, as some of it is here, I reach my decision on a balance of probabilities – that is to say, what I consider is most likely to have happened in the light of the evidence that is available and the wider surrounding circumstances.

It's worth stating upfront that we have found it very difficult to contact Bournes despite using their business address and other avenues to find them. This means that we never received any evidence from the business directly to help us review Mr Q's complaint. As it turns out I don't believe this to be an issue as Mr Q has provided us with information including correspondence from Bournes when he first complained to them.

I am also in no doubt of Mr Q's circumstances when he entered the debt plan offered to him by Bournes. He only had one creditor and was making repayments, although he was in arrears. Like Mr Q, I am not sure why Bournes suggested he'd be better off entering a debt management plan. There wasn't any complex administration for them to do on Mr Q's behalf.

I have assessed our adjudicator's findings and detailed review of the money that Mr Q paid to Bournes. This leads me to conclude that Mr Q paid £3,885 to Bournes between 2011 and 2014. I have also reviewed the evidence, including statements from Bournes, provided by Mr Q. This shows that a total of £1,515.32 was paid to Mr Q's creditor. Mr Q's contract with Bournes was fee-based but I have reviewed the agreement and it is not clear the basis on which Mr Q was paying fees and what services Bournes was delivering. On balance, I am

satisfied that it is not fair or reasonable for Bournes to have retained so much of Mr Q's money.

I agree with our adjudicator who felt that Bournes should repay Mr Q £2,369.68 being the money he had paid them minus the money they had passed on to his creditor.

Mr Q has also been concerned about the impact this has had on his credit file. He doesn't feel that Bournes explained this to him when he originally entered the debt management plan. I can't be sure what Bournes may or may not have said to him. However what I do know is that Mr Q was already in arrears and there is evidence to show that he knew that there was a risk of being served with a default notice (which did indeed happen). In this case, I am satisfied that any action by Bournes did not, in fact, have any major impact on his credit file.

I really hope that Mr Q has been able to get proper debt advice because he has tried hard to repay his debt and must be very upset that he is no better off. I believe Bournes has added to the inconvenience Mr Q has gone through. I consider it fair that they pay Mr Q a further £200 to compensate him for this.

Unfortunately Mr Q knows that Bournes have not been responding to us. I am distressed on Mr Q's behalf that he may not get all the money that I believe Bournes owe him.

my final decision

For the reasons stated above, my final decision is to uphold Mr Q's complaint against Bournes and instruct them to:

- Repay £2,369.68 to Mr Q;
- Add 8% simple interest and repay that amount to Mr Q as well; and
- Pay him £200 as compensation for the inconvenience caused.

Interest should be calculated at 8% simple per year from the dates that Mr Q paid the money to Bournes until the date of settlement.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Q to accept or reject my decision before 9 March 2015.

Sandra Quinn
ombudsman