

complaint

Mr G complains that Valour Finance Limited didn't properly administer his debt management plan.

background

Mr G set up a debt management plan with Valour to repay his debts. Towards the end of the plan Mr G asked Valour to increase his direct debit payment so that his plan would be finished sooner. At the same time Mr G was concerned that he may have overpaid and that some debts were showing as outstanding even though he had paid them. Mr G said that the service he had from Valour wasn't very good and he had paid management fees for this. He said that he had to take time off work to work out what had happened with his payments and Valour didn't take his complaint seriously.

Our adjudicator didn't recommend that the complaint should be upheld. She thought that although Valour should have increased the direct debit it had fairly compensated Mr G by reducing the management fees. She thought that Valour had properly administered the account and the errors with the balances were because of third parties and it wasn't Valour's fault. She thought that it was fair and reasonable to review the account every year and so she didn't think Valour had done anything wrong. Mr G didn't agree and replied to say in summary that Valour hadn't recorded all his contact and he was left to do work himself that he had paid Valour to do.

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 that Valour should have increased Mr G's direct debit when he asked it to. If it had done then Mr G's plan would have finished sooner. I think that the reduction of the admin fees was fair and reasonable and I don't think Valour should pay any more.

I can see that there was some confusion at the end of the plan about the exact balance that Mr G owed. Valour has explained that this was because of errors by the third party creditors in providing information and allocating payments. I can see that this caused Mr G worry and he had to spend some time trying to work out how much he owed. But this isn't Valour's fault. It relied on the information it was given by the third parties but it did write to the third parties and investigate the problems so I can't say that it didn't provide any service to Mr G.

I know that Mr G thought that his account was being regularly reviewed and if it had been then the problems may have come to light sooner. I haven't seen anything which suggests that Valour agreed to review the arrangements monthly and the terms and conditions say that the account will be reviewed annually which is what Valour did.

I appreciate that Mr G is frustrated that he had to calculate payments himself and this was time consuming for him. But I think the errors that led to this situation weren't Valour's fault. Valour did investigate and resolve the problems with the third parties so I don't think that I can ask it to refund all the fees paid by Mr G

my final decision

My final decision is that 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 7 December 2015.

Emma Boothroyd
ombudsman