

## **complaint**

Mrs G complains that if she had known the level of fees charged by Harrington Brooks (Accountants) Limited (the business) for her debt management plan (DMP) she would not have entered into it.

She also complains that her account has been poorly managed causing her to believe she had much more debt outstanding than was true. She says this has caused her stress and she wants compensation for this.

## **background**

Mrs G entered into a DMP with the business in 2012. She says she was making payments each month but that only a small percentage of these went to repay her creditors.

Mrs G says that the amount the business had outstanding for one of her creditors was much higher than it should have been and she was concerned that the interest and charges had not been frozen. She also says that the business did not tell her that one of her debts had been written off.

The business provided information showing that the interest on Mrs G's accounts had been frozen or reduced in 2012. This information also set out Mrs G's outstanding balances. It did not initially accept that a mistake had been made and so did not uphold Mrs G's complaint.

The adjudicator did not find that the business had hidden the charges from Mrs G. He did find that it should not have continued to make payments on the debt that had been written off and said that the £28.08 of payment should be refunded.

After investigating the balances due to Mrs G's creditors, the adjudicator found that a mistake had been made on one of Mrs G's debts and this had caused a misallocation of her payments. He said that the business should pay Mrs G's creditors the difference between the amount they received and the amount they would have received had the allocation been correct. He did not recommend that the higher payment to the one creditor should be repaid.

Because of the trouble and upset this issue had caused the adjudicator said that the business should pay Mrs G £150.

The business accepted that a mistake had been made and agreed to the adjudicator's recommendation.

Mrs G did not consider the £150 compensation enough given the stress the issues with her DMP had caused. She said that she had paid fees to the business and it had not delivered what it should have done.

## **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 have looked at the information provided to Mrs G about the fees charged by the business for the DMP and I do not find that these are unclear.

The business has accepted that a mistake was made and an incorrect balance was recorded for one of Mrs G's creditors. This resulted in a higher portion of Mrs G's payments going to this creditor and lower amounts being paid to her other creditors.

Where a mistake has been made it is my role to ensure that the customer is put back in the same position they would have been had the mistake not been made and, where appropriate, to award compensation.

The business has agreed to make additional payments to Mrs G's creditors so that they receive the amount they would have done had a debt not been incorrectly recorded. It is not seeking a refund of the overpayment to the creditor that received higher payments due to the mistake. I find this puts Mrs G back in the position she would have been with all the creditors that received less than they should have. In the case of the creditor which had received overpayments, Mrs G is in a better position. I find this fair and reasonable.

The business also continued to make payments to one of Mrs G's creditors after the debt had been written off. It agreed to refund these payments. I find this reasonable.

I understand that Mrs G has been caused stress because she believed her debts were much higher than they were. I appreciate she was paying fees to the business to assist her with her debt management and that she did not receive the service she should have. Because of this I find that compensation is required.

The business has agreed to make up for the wrong allocation of payments and refund her other payments. Based on this, I find that the £150 compensation it has agreed to pay is fair and reasonable.

### **my final decision**

My final decision is that Harrington Brooks (Accountants) Limited should, as it has agreed pay Mrs G a total of £728.27. This includes the adjustment for the money that should have been paid to Mrs G's creditors plus the refund of payments after a debt was written off and £150 compensation for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to Mrs G to accept or reject my decision before 29 February 2016.

Jane Archer  
**ombudsman**