

### **complaint**

Mrs D complains that NEO Media Solutions Limited (trading as One Debt Solution) did not distribute payments to her creditors.

### **our initial conclusions**

Our adjudicator recommended that the complaint be upheld. She concluded that the plan One Debt Solution set up for Mrs D did not meet the Office of Fair Trading (OFT)'s debt management guidance, that there was no evidence it had distributed payments to her creditors and that it had failed to reply to Mrs D's requests for information about the plan. She recommended that One Debt Solution refund all payments not distributed to creditors, plus interest, and pay Mrs D £200 to reflect the distress and inconvenience this matter has caused her.

### **my final decision**

I have considered everything that Mrs D and One Debt Solution have said and provided to decide what is fair and reasonable in this complaint. Having done so, I uphold the complaint.

Mrs D entered a debt management plan with One Debt Solution in September 2010. Her bank statements show she paid £135 per month to this plan between September 2010 and August 2011. Like our adjudicator, I am satisfied that the agreement signed by Mrs D does not meet the requirements of the OFT's debt management guidance. For example, it does not clearly explain that Mrs D's creditors did not have to accept reduced payments or the consequences of her stopping payments while One Debt Solution negotiated with them.

Despite numerous requests by this service, One Debt Solution has failed to provide any evidence of payments to Mrs D's creditors. In the circumstances, I find that it should refund all payments not distributed to creditors, plus interest. I am concerned that, despite having initially agreed to do this, and pay compensation for its failures in handling Mrs D's account, it has not done so. As a result, I have increased the compensation One Debt Solution should pay Mrs D for the inconvenience it has caused her.

**My final decision is that I uphold this complaint, as set out in full overleaf.**

**Under the rules of the Financial Ombudsman Service, I am required to ask Mrs D either to accept or reject my decision before 25 June 2013.**

*Simon Begley*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

My final decision is that I uphold this complaint and order NEO Media Solutions Limited to:

- refund all payments not distributed to Mrs D's creditors, plus interest calculated at 8% simple per year from the date each payment was made to the date of settlement; and
- pay Mrs D £300 to reflect the distress and inconvenience this matter has caused her.

NEO Media Solutions must provide Mrs D with evidence of the payments it has distributed to her creditors.

If NEO Media Solutions considers that tax should be deducted from the interest element of my award, it should provide Mrs D with the appropriate tax deduction certificate so that she is able to claim a refund if appropriate.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.