

## **complaint**

Mr R complains that he wasn't provided with satisfactory advice about his debt management plan ("DMP") with MoneyPlus Group Limited, ("MGL"). The complaint is brought to this service on Mr R's behalf by a claims management company ("CMC"). But for ease, I shall refer below to all actions being taken by Mr R unless stated otherwise.

## **background**

Mr R entered into a DMP with MGL in November 2012. Mr R said, in summary, that:

- some of his payments weren't forwarded to his creditors; and
- he wasn't made aware that a DMP could have been provided by the fee-free sector.

The adjudicator didn't recommend that the complaint should be upheld. She noted that the DMP was set up in November 2012 and that Mr R was debt free by November 2013 when the DMP ended. Looking at the payment history provided by MGL, she was satisfied that payments were distributed to Mr R's creditors. She also noted that the CMC hadn't provided any information to show that Mr R was still in debt with any of the listed creditors or that they were chasing him for payments. She also said that the CMC hadn't provided any information to evidence that Mr R fell under the circumstances in which consumers should be made aware of help and debt advice from not for profit advice organisations as set out by the Office of Fair Trading ("OFT") in its 2012 Guidance.

The CMC disagreed and responded to say, in summary, that at the time the DMP was sold, MGL was obliged to comply with the OFT's Debt management guidance dated September 2008 ("the 2008 Guidance"). It also said that the expectations of how that guidance should be applied were also mentioned by the OFT within its Debt Management Guidance compliance review in September 2010 ("the 2010 Review"). It believed that the messages from the 2008 Guidance and the findings from the 2010 Review suggested that consumers should have been made aware of the availability of free advice and that MGL should have made Mr R aware of free services.

MGL was sent a copy of the CMC's response. It said that all references to the OFT's guidance in the response were the CMC's interpretations of the guidance, and that references made to the OFT's expectations were also the CMC's interpretation.

## **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 only propose to deal with the issues raised by the CMC in its response to the adjudicator's view in my decision.

I note that the OFT's Debt Management (and credit repair services) Guidance dated March 2012 ("the Guidance") applied at the time that Mr R entered into the DMP. The Guidance specifically said that a referral to free debt advice should be made where appropriate to do so (Clauses 2.5d and 3.23g of the Guidance). The Guidance said that this would be the case if there were priority debts and/or an immediate emergency, or if Mr R didn't have enough disposable income to afford the fees and his monthly plan payments. But

I can see that this didn't appear to be the case in Mr R's circumstances. I can see that his debts weren't priority debts and there didn't appear to be an immediate emergency.

From December 2012 until October 2013, Mr R was able to pay MGL ten monthly payments of £100 and one monthly payment of £46.46 until Mr R was debt free and the DMP was terminated. Because of this, it appears to me that the fees and monthly plan payments weren't unaffordable. So, in Mr R's circumstances, I don't think that MGL acted inappropriately in not referring him to fee-free services.

The CMC has also referred to the 2010 Review. The recommendations in the 2010 Review were taken into account in the 2012 Guidance. But, as shown above, in Mr R's circumstances, I don't think that MGL was obliged under the Guidance to refer him to fee-free services.

So, overall, I don't think that MGL has done anything wrong in rejecting Mr R's complaint.

**my final decision**

My decision is that I don't uphold this complaint,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision 9 December 2016.

Roslyn Rawson  
**ombudsman**