



## Claims management companies

Fact sheet no. 512 Claims management companies

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### What is the problem with claims management companies?

There are lots of companies out there who say they can get your debts written off for you, or get compensation for you by claiming that your credit agreements are unenforceable.

Many credit agreements do meet the legal requirements under the **Consumer Credit Act 1974** and are not easy to challenge as unenforceable.

We are a free, independent, confidential advice agency and we can give you advice about your credit agreements and whether they are likely to be unenforceable. We can tell you if there may be genuine grounds for a challenge.

Please think very carefully before paying money that you may not be able to afford to these companies. If you are worried about debts, this is unlikely to be your best option to deal with your creditors and in many cases it is likely to make your debt problems worse. We can help you look at all the options you have for dealing with your debts. Before signing up with one of these companies, **contact us for advice**.

### Complaints

If you have a complaint about the behaviour of a claims management company, your first step must be to complain to them directly. Ask for their complaints policy. The company has up to **eight weeks** to respond to your complaint. If you are not satisfied with their response, or they do not reply at all within this time scale, you can take your complaint to the **Legal Ombudsman**.

The Claims Management Regulation Unit is part of the Ministry of Justice and is the regulator for claims management companies. The Legal Ombudsman can take action against companies who break the regulators rules.

- Authorised companies should not cold-call you or pressurise you into taking up their offer.
- They should give you written information on the costs before you agree a contract with them.
- There should be a cooling off period of **14 days** to allow you to change your mind.
- The company should have a proper complaints policy.

If you have a complaint about a claims management company, this is the address to write to:

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We are the only small business debt advice charity operating in the UK.

#### Warning:



#### fees

Be very careful. Most of these firms charge you large up-front fees for each agreement they agree to check, but with no guarantee that they will be successful in challenging your agreements. In most cases you will not get your money back if your claim is not successful.



## Legal Ombudsman

PO Box 6806

Wolverhampton

WV1

Phone: 0300 555 0333

Email: [enquiries@legalombudsman.org.uk](mailto:enquiries@legalombudsman.org.uk)

[www.legalombudsman.org.uk](http://www.legalombudsman.org.uk)

## Remember:



### complain to the company first

The Legal Ombudsman can only look at your complaint if you have first complained directly to the claims management company, and allowed them **eight weeks** to reply.

**MONEY**  
ADVICE TRUST



Business Debtline endeavour to keep our fact sheets as up-to-date as possible, however, we cannot be held responsible for changes in legislation or for developments in case law since this edition of the fact sheet was issued.

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