

The complaint

Mr T is unhappy with the way Cabot Credit Management Group Limited (trading as Cabot Financial (Europe) Limited) has dealt with him in relation to old debts.

What happened

Mr T had two credit accounts with two different businesses and, after falling into financial difficulty, Cabot purchased the debt from the two credit providers. While Mr T doesn't dispute that he has these accounts, he doesn't agree he owes the amount Cabot are asking him to repay.

Mr T has complained that:

- Cabot won't give him a statement of account or other documentary evidence regarding the amount they are asking him to repay.
- Cabot is pursuing him for a debt that is unenforceable as it hasn't provided copies of his original credit agreements, statements and related documents, so he thinks Cabot should write off or reduce his debts.
- The original decision to give him the credit in each instance was unfair as each time it was unaffordable and it was apparent he was likely to fall further into debt.
- Cabot has added charges to the debt, and has aggressively and unfairly pressured him into making payments.

Mr T is being represented in this complaint by a solicitor.

One of our investigators looked into Mr T's concerns. He found Cabot hadn't done anything wrong. He said that even though Cabot aren't able to provide Mr T with the documentation he's asking for, because the credit providers have this, this didn't mean that Mr T doesn't have to repay the debt. However, Cabot agreed the debt was unenforceable until it had supplied some of the documentation sought.

The investigator couldn't see that Cabot had added any charges to the debt, and there was nothing to show that Cabot had been aggressive in their communication with Mr T. He also said that only a court could decide whether a debt was legally enforceable and agreed with Cabot that, because they weren't responsible for the original lending, Mr T would need to complain to the original credit providers about any 'irresponsible lending'.

Cabot agreed with the investigator but Mr T's solicitors didn't. They say Mr T disputes that a debt is owed and feel Cabot's inability to provide documents and information about the alleged debt is stopping Mr T from resolving his debts, and is having an effect on his credit rating. They've said Cabot will probably never be able to demonstrate a sum is outstanding and so a fair outcome would be for Cabot to write off the alleged debt outstanding. They also

believe Cabot is purchasing debts “*without doing sufficient due diligence to ensure they are properly due.*”

As an agreement couldn't be reached, the complaint is now with me for a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the investigator and for the same reasons.

It isn't the role of the Financial Ombudsman Service to decide on what policies financial businesses have in place when they purchase debt. This is a decision Cabot can make in line with its regulator – The Financial Conduct Authority. Because of this I won't comment on any due diligence.

Mr T has accepted that he had two credit accounts, with two providers, and he initially agreed that there's a balance outstanding on them, though his solicitors have now said this isn't true.

I've seen evidence that Cabot has bought this debt from the credit providers, and I've not seen anything to suggest that they can't ask Mr T to make payments towards this.

But Cabot has said that the debt is currently unenforceable. However, they also say it doesn't mean they can't ask Mr T to make repayments. Ultimately, whether a debt is enforceable is not something I can comment on. As our investigator explained, it's for a court to decide if a debt is legally enforceable.

Mr T has said Cabot's actions are affecting his credit rating, but I haven't seen a copy of his credit file. Because of this, and as there are a number of factors that make up a credit rating, I can't say what impact, if any, this may have had.

Mr T has also said Cabot has aggressively and unfairly pressured him into making payments, and added charges to his account, but I've seen no evidence to support this.

I understand Mr T's frustration that Cabot can't provide him with the documentation he's asked for. This is because the original credit providers have this, and they haven't given it to Cabot. I can't expect Cabot to give Mr T something they don't have and can't get. If Mr T wants this, he might want to ask the original credit providers for it. The credit providers could also answer Mr T's concerns over the fairness of giving him the credit as this was their responsibility. Because of this, I won't be asking Cabot to do anything.

My final decision

For the reasons explained above I don't uphold Mr T's complaint about Cabot Credit Management Group Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 September 2019.

Jennifer Wood
Ombudsman