

The complaint

Mr G complains that Cabot Credit Management Group Limited is chasing him for a credit card debt that doesn't belong to him.

What happened

In early 2019 Mr G received several letters from Cabot to say it had been assigned Mr G's credit card debt from a credit card company, A. In March it wrote again to Mr G to say there was an outstanding debt of £1,923.34 and Cabot would be responsible for helping Mr G manage the account and would receive future payments.

Mr G, who lives at an address I shall refer to as DD, contacted Cabot to inform it that he wasn't the Mr G responsible for the debt. He said he had had the same issue in the past as his name and date of birth are almost identical to another person, Mr G(2) who lives close by at a different address, SC.

Cabot investigated the matter and concluded that Mr G is the person who owns the debt. Mr G wasn't satisfied and brought his complaint to this service. He said he knows this debt doesn't belong to him and has informed Cabot of this on several occasions. He is unhappy that Cabot only relied on information from their own investigation and didn't request anything from him to support his claim.

Our investigator requested information from Mr G and concluded that Cabot had made an error. She was satisfied that the evidence provided supported Mr G's claim that the debt isn't his and the address was incorrectly linked.

Cabot rejected this view and provided additional commentary. It said Mr G's residence at DD was never in question. It said the conjecture, based upon the data held, was always that it was likely that the SC address was the residence of Mr G's parents/family, and as such would pose little barrier to the opening and activity of the account. It went on to say that the credit agency data file initially used to locate Mr G shows there to have been an account movement from SC to DD in April 2015, regarding a revolving credit account that was still active.

Our investigator sought more information and evidence including documents from Mr G's mortgage provider (S) who had initially withdrawn a mortgage offer following discovery of a link to Mr G(2). The mortgage provider subsequently investigated and removed the link from Mr G's credit file. The investigator issued a second view, still upholding Mr G's complaint. She again concluded that based on the evidence presented to her Mr G(2) is linked to SC and Mr G is not the owner of the debt. She asked that Cabot now remove Mr G, living at DD, from its database and stop writing to him in relation to this debt. She also asked that it remove the default and any other negative entries in relation to this debt from Mr G's credit file as well as paying Mr G £150 in compensation.

Cabot again rejected the investigator's view and asked for a final decision from an ombudsman. It provided some additional comments and evidence which I have responded to below.

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 examined the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr G provided our investigator with several documents confirming his address as DD around the time when the credit card account opened, January 2016, going back as early as 2012. There is a rent statement dated 3 November 2014 to 22 February 2015. Mr G was looking at the option to purchase the property and there is a sales quote from the housing association relating to the proposed purchase of the DD property. This quote is dated March 2018 and addressed to Mr G. It confirms Mr G's eligibility for a discount on the price of the property based on the length of his tenancy. It says *"for the purposes of discount your qualifying tenancy periods add up to eight years and 231 days."* This indicates Mr G was a tenant at DD for some years prior to and throughout 2016.

Mr G has provided two bank statements, number 16, dated 31 December 2015 and number 17, dated 1 February 2016. There is also a warranty certificate for a car purchased in Mr G's name at the DD address dated 9 January 2015 and a car insurance policy document dated 12 January 2015.

These documents are in addition to the photograph of Mr G's picture and paper driving licence which has an issue date of 6 January 2012 and has Mr G at the DD address. Other documents relating to car finance and car insurance included in the file indicate Mr G's address during 2016 as DD. The credit card statements relating to the debt being chased show the SC address throughout 2016.

In addition, S released a number of documents to this service relating to Mr G's application for a mortgage. His application was initially successful and then was declined when it went to the underwriter. This was because Mr G was linked to the SC address. Mr G provided evidence to S including a witnessed copy of his driving licence. S was satisfied that Mr G did not live at SC and agreed to remove the link.

In response to this knowledge Cabot said it didn't feel that any evidence had been provided to show that its account was similar in any way to the account held by S and it did not think it was sufficient to state that because one company reached one conclusion this is the correct conclusion, especially as it had been provided evidence to show that the SC address is Mr G's parents address and there are financial links between him and this address.

I agree with Cabot that they are different types of account and of course it's possible that two companies could reach different conclusions. But the evidence Mr G provided to S, the witnessed driving licence, is also relevant evidence in this complaint and supports Mr G's testimony. Cabot has also said it was likely the SC address was the residence of the customer's parents/family, and as such would pose little barrier to the opening and activity of the account. I haven't seen any evidence to show that the SC address belongs to Mr G's parents. And it's not clear to me on what basis it makes that assumption.

Cabot has said that after reviewing the credit reference agency E's data file initially used to locate the customer, it shows there to have been an account movement from SC to DD on 5 April 2015. This was regarding a revolving credit account that was still active at the address

when its link was made. It said the latest data block received since still shows this to be the case. Cabot were not able to provide any details of this revolving account.

I asked Cabot to explain the credit file link it was using to link SC to DD. It said E had evidenced an account that moved from SC to DD and that there was also a similar link with a second credit reference agency, which it described as a link created as a result of a financial movement that goes from one address to another. Cabot went on to say that both of these links have creation dates that far precede the Cabot address update which meant it was following data rather than creating it.

In its communication to this service Cabot said there were a number of possible data requests it could have made to both the consumer and the vendors of the linked related assets that would've, in hindsight, strengthened any conclusion drawn.

Where evidence is missing or conflicting, it's my role to decide based on the balance of probability, that is, I'll look at what information is available and the surrounding circumstances and base my decision on what I think is most likely to have occurred. Cabot has provided two credit reference agency data points relating to the same financial address movement and it's possible that these form the correct link. But there is no information about this link. And Cabot has, by its own admission, not sought further information from any party to support its conclusions.

I accept that it is possible for the link to be correct and for Mr G to be associated with the SC address at the same time as the DD address, as Cabot has indicated. But I'm persuaded by the multiple documents Mr G has provided from different sources across a broad timeline that this is unlikely to be the case. And, although I haven't relied on them to make my decision, Mr G also provided some social media screenshots dating back to 2011 with Mr G(2) discussing the confusion. This communication does support the document evidence.

So having considered this carefully I find it unlikely that Mr G is the owner of the credit card debt and I'm satisfied that Cabot has made an error linking Mr G to the address SC.

Putting things right

Cabot must now:

- remove Mr G who lives at DD from its database and stop writing to him in relation to this debt.
- remove the default and any other negative entries in relation to this debt from Mr G's credit file.

pay Mr G £150 for the trouble and upset this has caused.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 December 2020.

Maxine Sutton
Ombudsman