

The complaint

Miss M has complained that Cabot Credit Management Group Limited are chasing her for a debt she says she doesn't owe.

What happened

In February 2019, Cabot bought this debt from the original owner. They sent a notice of assignment to Miss M. Miss M replied with a template letter from the internet that attempted to dispute the legal basis of the debt and asked for certain documents. Cabot then sent her a copy of the credit agreement, statements, and another copy of the notice of assignment, to show that she did indeed owe the debt.

Miss M didn't make any payments to Cabot, so they sent her an arrears notice in August 2019, and a default notice in October 2019. Miss M then called Cabot. According to the call notes, they discussed her circumstances with a view to working out affordable repayments, but she ended the call while they were going through her income and expenses.

In November 2019, the debt defaulted. Miss M sent two further template letters. Cabot explained again that she did still owe the debt, and said the legal arguments she'd put forward weren't relevant.

Miss M says she doesn't have a contract with Cabot, and wants them to provide a deed of assignment instead of a notice of assignment. If they can't, she wants the default and other negative credit information removed from her file, the account closed, and compensation for what she says is harassment.

Our investigator looked into things independently and didn't uphold the complaint. He was satisfied from the evidence that this was the same debt that Miss M took out with the original creditor. He explained that Cabot now possessed the debt, so Miss M now owed the money to them. He explained they only needed to send her a notice of assignment, and not the deed. He didn't feel Cabot's communication was excessive or unreasonable.

Miss M asked for an ombudsman's decision, so the complaint's been passed to me.

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 can understand why Miss M would like to make sure that she really does owe the debt to Cabot, as she wouldn't want to pay the wrong company.

I've looked carefully at the evidence, including a copy of the credit agreement, statements, and the notice of assignment. I can see that the account references match, and the original creditor have confirmed that they sold Miss M's debt to Cabot. Miss M has a history of making payments to this debt – at least before it was with Cabot – and appears to have discussed it with Cabot on the phone. There's nothing to suggest that Miss M didn't take out this debt. I'm satisfied this is Miss M's debt.

I can understand if there's been some confusion for Miss M, as from her perspective her contract was with the original creditor rather than Cabot. But debts can and do get sold on – it's quite normal. And now that Cabot have bought the debt, it means that Miss M owes the money to Cabot instead of the original creditor.

Miss M has been given the relevant notice of assignment, which I think is sufficient to show her that Cabot now owns the debt. It's not clear why she also wants to see the deed of assignment, which is a private document between Cabot and the original debt owner. Cabot explained the deed contains sensitive information between them and the creditor, and does not contain any of Miss M's personal data. And they do not have an obligation to provide this document to Miss M, so I think it's reasonable that they haven't.

Miss M's letters made a number of other arguments about the enforceability of the debt. Whether or not the debt is legally enforceable is a matter for a court to decide – that's not something I have the power to determine. But I would warn Miss M that if something seems too good to be true, it often is, and I'd be wary of websites that make big promises about clearing debts using obscure legal arguments. I would strongly recommend that Miss M seeks qualified legal advice before attempting to use any of these same arguments in court.

I don't think Cabot have communicated with Miss M excessively or unreasonably. They tried to call her only a handful of times over quite a long period, and they were required to tell her about things like buying the debt, her arrears, and the default. I think it's reasonable for Cabot to ask Miss M to pay back the debt she owes. And I've not seen anything in the content, tone, or frequency of their communication that seems inappropriate.

I hope I can reassure Miss M that Cabot still have a duty to deal with any financial difficulties positively and sympathetically. The interest and charges are frozen at zero, and they've said they're happy to work out affordable repayments with Miss M. Miss M might want to contact Cabot to see what assistance – if any – they can offer her. I've also sent Miss M contact details for firms that can give her free advice and help with dealing with her debts. And she may be able to come back to our service as a separate complaint if she subsequently feels that Cabot aren't taking any difficulties into account.

My final decision

For the reasons I've explained, I don't uphold Miss M's complaint in this particular case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 4 November 2020.

Adam Charles
Ombudsman