

The complaint

Mr G complains that Cabot Credit Management Group Limited (Cabot) treated him unfairly by sending a recovery agent to his home to re-connect with him when pursuing him for a debt.

What happened

Mr G had a loan with a bank, who for the purposes of this decision I'll call Bank A. He fell into arrears with his loan and Bank A appointed a debt recovery service to collect this debt on its behalf, who I'll call Debt Recovery B. In March 2017, Bank A sold the loan debt to Cabot.

Cabot wrote to Mr G to let him know Debt recovery B would continue to administer his account. Mr G had been paying a nominal monthly payment of £1 per month towards his debt, through Debt Recovery B, and continued to do so until October 2019.

Cabot decided it would take back the administration of Mr G's account and wrote to him to tell him this in September 2019, shortly before he paid his last monthly payment.

Mr G contacted Cabot in November 2019, through its website, with an offer to continue with the monthly payment of £1. Cabot replied to this asking for Mr G to complete a budget planner so it could make sure the payments were affordable.

Mr G didn't do this and so Cabot tried to contact him again, without success, up until the end of January 2020. At this point it wrote to Mr G and confirmed it had appointed a company that I'll call RC. The letter explained that as Cabot hadn't been able to connect with Mr G, RC would visit him at home to help reconnect them. It also explained that this wouldn't be necessary if he contacted it within the next seven days.

Mr G didn't make contact and so RC visited his home address. Mr G said this was an intimidation tactic that caused him lots of distress and he feels it was unfair of Cabot to do this to him.

Mr G complained to Cabot, about this and also said that he was disputing the debt as he felt he'd been coerced into taking the loan by his ex-partner and Bank A had been aware of this. In its final response Cabot didn't uphold his complaint, it said it had a legitimate reason to connect with Mr G. But it did apologise for any distress it had caused. It also confirmed that it hadn't been aware previously that Mr G was disputing the debt, and the debt was now being returned to Bank A.

Mr G remained unhappy with Cabot's response and so referred his case to this service. When bringing his complaint Mr G told us he had some health issues that are made worse when he is feeling stressed.

He mentioned that he had a credit card with Bank A that had also been sold to Cabot and he felt he had been forced into that debt by his ex-partner as well.

The investigator didn't uphold Mr G's complaint, in summary they said Cabot hadn't done anything wrong when it appointed RC to try to reconnect with him. And while they sympathised with Mr G's ill health and the personal circumstances surrounding Mr G taking out the loan, they didn't think these fell under the responsibility of Cabot.

Mr G disagreed, he wanted to know why the investigator hadn't commented on the credit card debt and had only looked at the loan debt. The investigator explained, as Mr G's complaint was about Cabot instructing RC to visit him, and the visit was in relation to the loan debt they'd focussed the investigation on this.

As Mr G didn't agree with the investigator's outcome the matter has now been passed to me to decide.

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.

And having done so, while I appreciate this will be disappointing for Mr G, I've decided not to uphold his complaint. I'll explain why.

Before I do, I'd like to say, I have a great deal of sympathy for Mr G's personal situation and what he has been through and continues to go through. But I think it's important for me to point out here that in this decision I can't consider what happened when he took out the loan from Bank A, as this wasn't the responsibility of Cabot.

In this decision I will only be focusing on the actions of Cabot in relation to the loan account it bought from Bank A. Mr G has not complained to Cabot about its actions with regards to the debt on the credit card account and so it wouldn't be fair for me to look at this without Cabot having had the chance to do so. If Mr G would like Cabot to investigate its handling of the credit card debt, he should let them know.

Bank A assigned legal ownership of the debt to Cabot on 3 March 2017. Cabot sent him a Notice of Assignment confirming this on 27 March 2017. From this point onward, Cabot had the right to decide how it wanted to administer the account going forward, and it's for me to decide if it did so fairly. In this case I think it has, I say this because for continuity it chose to allow Mr G to continue with the agreement, he already had in place with Debt Recovery B. It did this until September 2019, so there were no immediate changes for Mr G to worry about.

When it did make the change in September 2019, it wrote to Mr G to explain to him that it would now deal with him directly. Mr G made an offer to continue with the same payments, and Cabot asked him to complete a budget planner to make sure this was an affordable way forward for him. I think this was a reasonable request and what I'd expect, as Cabot had a duty to ensure any agreement it entered with Mr G was right for him.

At this point Mr G decided to stop engaging – he didn't complete the budget planner and didn't respond to calls or letters. So, Cabot asked RC to help it to reconnect with Mr G. It explained in a letter to Mr G what this meant, and that if he didn't want RC to visit, he should make contact in seven days. It was up to Mr G to make the choice here and he chose to ignore the letter, resulting in the visit from RC going ahead.

When RC called at Mr G's home, he disputed the debt and explained his circumstances, which RC relayed to Cabot. Once Cabot was aware of Mr G's circumstances, they wrote to him to apologise for any distress the visit had caused. It also let him know that it had been

contacted by Bank A and that the debt was now being passed back to Bank A for it to deal with.

So, I'm satisfied that Cabot didn't send RC to Mr G's home to intimidate him as he has suggested, but to reconnect with him and to help find a way forward. Given this I don't think it was a disproportionate action to take and don't agree with Mr G that Cabot has treated him unfairly.

As Cabot is no longer responsible for the loan debt, Mr G shouldn't expect to hear from them again regarding it.

I appreciate this isn't the answer Mr G was hoping for. But my decision ends what we – in trying to resolve his dispute with Cabot – can do for him.

My final decision

For the reasons set out above, my final decision is I do not 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 March 2021.

Amber Mortimer
Ombudsman