

## **The complaint**

Mr B has complained that Cabot Credit Management Group Limited are chasing him for a debt that he doesn't recognise and for which they don't have the original agreement.

## **What happened**

This complaint is about an unsecured bank loan from 1998, which defaulted and was sold to Cabot in 2007. Mr B set up affordable payments to Cabot at the time and kept them updated with his circumstances. He paid towards the debt for around 12 years.

In 2019, Mr B asked Cabot for documents such as the credit agreement and a statement of account, under the provisions of the Consumer Credit Act. Cabot responded regarding two other accounts but not this one. They later apologised for overlooking this account and put £100 towards the balance as compensation for their mistake. They confirmed they didn't still have the agreement. Mr B said the debt was unenforceable.

Our investigator looked into things independently and didn't uphold the complaint. They explained that Mr B and Cabot had been in touch with each other about this account over the years and Mr B had been paying it for some time. So they felt reasonably satisfied it was his account, even if the documents weren't still available after so many years. They explained only a court could look at enforceability. And they felt Cabot's apology and compensation had put their mistake right in terms of not addressing the issue at first.

Mr B didn't agree. He explained that for all he knew, the account could be someone else's that was assigned to him by a typo. He asked for an ombudsman to look at things afresh, so the complaint's 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.

I should first explain that only a court can decide whether this debt is enforceable or not – I'm not allowed to make a judgement on that. I can consider whether it's fair for Cabot to ask Mr B to repay the debt, or not.

I can completely understand Mr B's frustration that the original documents aren't still available. However, this debt is well over two decades old, and the credit facility involved has long since closed. So it's rather unsurprising that no one still has the original documents. I've thought carefully about what's most likely to be the case with this account, based on the information I do have.

I can see that Cabot wrote to Mr B when they bought the debt. They also kept him updated over the years about the management of the account, and about what he'd been paying and what the balance was. They wrote to the correct address, and I can see he received at least some of these documents – for example, he forwarded on one of the statements. So he should have been well aware of this account over the years. But he doesn't appear to have raised any dispute before.

According to Cabot's records, Mr B similarly kept them up to date with his circumstances, re-arranging his payments as the amount he could afford changed. He made payments towards this account for around 12 years. It is very difficult to see why he'd have done that if he didn't ever recognise the account as being his.

I do understand that Mr B was going through a truly tough period at the time, and that he broadly let his debt management company handle things for him. But he would need to have asked the debt management company to take on this debt, and given them the details of the account along with his authority, and worked out what repayments were affordable. I don't think he'd have done that if he didn't recognise the account at the time. It's highly unlikely indeed that it was assigned to Mr B by a typing mistake, as he's suggested, and I've not seen any evidence that this was anyone else's account. Whereas I do think it's both plausible and understandable if the debt really is Mr B's, but he no longer remembers it because of all the time that's passed. So based on the evidence and the balance of probabilities, I think it's fair to conclude that this is most likely Mr B's debt.

I've not seen any evidence to indicate that the wrong balance was sold on, either. And Cabot's statements show how the balance got to where it is now over the years it's been with them.

So with all of that in mind, it seems fair that Cabot are asking Mr B to repay the outstanding debt.

I do think Cabot got things wrong by failing to respond to Mr B's information request. But I think they've already put that right by apologising and putting compensation towards the account. So I don't require them to do anything further.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 April 2021.

Adam Charles  
**Ombudsman**