

The complaint

Mr S complains that Cabot Credit Management Group Limited trading as Cabot Financial (Europe) Limited (Cabot) had harassed him in pursuit of payment of a debt, that he believes it has proved its the legal owner of.

What happened

In November 2006 Mr S took out a loan with a company I'll call L for the purposes of this decision. As repayments of this loan were not maintained a default notice was applied to the accounts in November 2009. At some point L appointed a debt recovery agent (DR) to work with Mr S on its behalf. A payment arrangement of £2 per month was agreed on.

In February 2017 L sold the outstanding debt of £4514.29 to Cabot, with Cabot taking over all responsibility for the debt from 24 March 2017. L sent Mr S a Notice of Assignment (NOA) letter on 24 of March 2017 letting him know that Cabot now owned the debt. Cabot also sent Mr S a NOA letter on 27 March 2017 letting him know that the existing payment arrangement he had in place with DR would continue and that DR would still be managing the debt on its behalf.

In January 2020 Cabot wrote to Mr S to let him know it would be taking back the management of his account from DR. In the letter it confirmed it was happy to keep the current arrangement in place but asked Mr S to contact it so that it could set the payments up be paid directly to Cabot instead of DR.

From this point Mr S disputed the debt is owned by Cabot, hello and has asked it to provide him with proof of its ownership. Cabot provided Mr S with a copy of the signed credit agreement for the original loan along with a statement of accounts and terms and conditions.

Mr S remained of the opinion that this didn't prove Cabot's ownership of the debt and asked it to provide him with a copy of the deed of assignment (DOA). In its final response Cabot declined to do this explaining to Mr S that the DOA contained commercially sensitive information and it had no obligation to provide it to him.

Aside from proving the legal ownership of the debt Mr S also asked Cabot to stop contacting him regarding it and asked them to remove all phone numbers, it holds for him, from its records.

Cabot confirmed Mr S' phone numbers had been removed from its dialling system and that it would contact him on his preferred method of email, where it could, when updating him about his account. It also said, should it not be able to contact him via his preferred method it reserved the right to reinstate the use of his phone numbers as it had a legitimate reason to contact him.

Mr S felt this was unreasonable and Cabot pursuing him was causing undue stress and worry and this was detrimental to his mental health and amounted to harassment. So, he

brought his complaint to our service – in that complaint he said he would be prepared to set up a payment plan with Cabot if it shows it owns the debt.

The investigator didn't uphold Mr S' complaint, in summary he said:

- Cabot didn't need to provide the DOA as it was only obliged to provide the documents it had already, and so was satisfied owned the debt and Mr L owes it.
- Cabot hasn't acted unreasonably in pursuing Mr S for the debt.

Mr S disagreed with the investigator's findings, he felt the investigator had focused his findings only on the legality of the debt, but for him the complaint was more about the harassment he had experienced from Cabot. The matter has 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. However, I've given careful consideration to all of the submissions made before arriving at my decision. Having done so, I have to let Mr S know that I've reached the same outcome here as the investigator and a broadly the same reasons, I'll explain.

Before I go into the specific details of Mr S' complaint I think it would be useful here to point out there are rules and guidance set out by the Financial Conduct Authority (FCA) that Cabot have to follow here. Those rules are called I have considered the Consumer Credit Sourcebook (CONC) and can be found on the FCA website.

As I see it there are two issues for me to consider here, firstly does Cabot legitimately own the debt and if so, does Mr S owe it. Secondly, do I consider Cabot's actions in contacting and pursuing Mr S for the debt harassment.

Ownership of the debt:

I understand Mr S believes that in order for Cabot to show it legitimately owns the debt, for the loan Mr S took from L in 2006, it needs to provide him with the DOA. But CONC says that when a lender in this case L sells a debt to another firm in this case Cabot the customer in this case Mr S must be given notice of the assignment as soon as reasonably possible.

Cabot has provided copies of the NOA's sent to Mr S from L on 24 March 2017 and from Cabot itself on 27 March 2017, as such I'm satisfied it complied with this rule, to show it is now the legal owner of the debt.

The DOA document is an agreement between L and Cabot that likely contains commercially sensitive information, so while I understand Mr S' desire to see the document I don't believe it's something Cabot need to share with him in order to prove it owns the debt.

Mr S has never disputed taking the loan with L, and until January 2020 had a repayment agreement of £2 per month which he was maintaining and has said he would rearrange if Cabot proved its ownership. So, it follows I'm satisfied Mr S owes the debt and that Cabot own it and have the right to pursue it.

Harassment:

As Cabot owns the debt, as established above, and so has a legitimate reason to make contact with Mr S regarding it. CONC 7.4.1 says a firm must provide the customer with information on the amount of any arrears and the balance owing on a debt. Given this I think it is reasonable to expect that Cabot will have to contact Mr S regarding this debt, despite him not wanting it to. But it must do so in a reasonable manner, without applying undue pressure to him.

With this in mind I've considered the contact that Cabot has made with Mr S since it purchased the debt from L in 2017.

Cabot's first contact with Mr S was the notice of assignment letter it sent on 27 March 2017, it never made any further contact with Mr S until January 2020 as the account was being managed by DR.

When it decided to bring the account back in the house it wrote to Mr S on 10 January 2020 asking him to make contact so that you could arrange for payments to now be made directly to it. Aside from these two documents I haven't seen any other correspondence in regard to Cabot pursuing Mr S for the debt.

There has been correspondence back and forth between Cabot and Mr S regarding a subject access request that he made. As well as correspondence regarding proof of ownership and the subsequent service complaints that Mr S made. When Mr S brought his complaint to this service, he made Cabot aware and they placed a hold on his account for 60 days. the end of that 60 days it wrote to him again letting him know it had yet to receive contact from this service, it asked him to provide evidence that the matter was being looked into. It placed a hold on the account for a further 30 days. It has since extended the hold until my final decision is issued.

Cabot has confirmed it has not added Mr S' phone numbers back to its dialling system and will continue to communicate with him via email where possible as he has requested.

Mr S has said he is found contact with Cabot stressful and worrying and detrimental to his health, I've seen evidence that Cabot has let Mr S know that it has a sensitive support team that specialises in helping customers that are experiencing difficulties with their health finances.

Take into account all of the above, I can't fairly say that the contact from Cabot has been unreasonable, excessive or that Cabot has applied any undue pressure to Mr S. And while I recognise that being in a financially difficult position is stressful, and possibly more so for Mr S due to his own health, I can't say has done anything wrong here in pursuing Mr S for the debt. In order to help Mr S with this, I would suggest he makes use of Cabot's sensitive support team in finding a way forward.

I know Mr S will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Cabot can do for him.

My final decision

It follows, for the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to **ask** Mr S to accept or reject my decision before 26 April 2021.

Amber Mortimer
Ombudsman