

## **The complaint**

Mr R complains Cabot Financial (Europe) Limited told him that his debt was statute barred but this wasn't correct.

## **What happened**

Mr R has a number of accounts with Cabot. But this complaint only concerns one of those them, a former credit card account.

In November 2018, Mr R contacted Cabot to discuss the account. During this conversation, the person Mr R was speaking to at Cabot told him the debt was statute barred – meaning he would no longer be asked to repay it. The same person then sent Mr R an email after the call to confirm the debt was statute barred.

In April 2020, Mr R mentioned in a telephone call that he'd been told in November 2018 that the debt was statute barred. He raised a complaint and Cabot investigated.

Cabot responded to Mr R's complaint. They said Mr R's debt was not statute barred. Cabot's member of staff had said this because an administrative error had caused Cabot's records to show the account was statute barred. But Cabot did apologise and offered Mr R £150 in recognition. Cabot later increased this offer to £250.

Mr R wasn't happy with Cabot's response and referred his complaint to our service. He wanted Cabot to close the account and treat it as though it was in fact statute barred. He also wanted £400 - £500 in compensation.

An Investigator considered Mr R's complaint. He said, overall, he thought the offer Cabot had made of £250 was fair in the circumstances to resolve Mr R's complaint. The Investigator also explained to Mr R when discussing this on the phone, that only a court can decide whether a debt is statute barred, although Mr R didn't agree this was correct.

Mr R didn't accept the investigator's findings. He said, in summary, he didn't think it was fair for Cabot to rely on this being an administrative error and maintained the account should be statute barred because Cabot had told him it was.

As Mr R didn't accept what our Investigator said, the case has been passed to me to make a final decision.

## **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.

Only a court can decide whether a debt is enforceable or not (statute barred). Mr R says this isn't correct. But whether the debt is enforceable means whether it could be pursued in court or not. So, it's not for this service to decide whether Mr R's debt is or isn't enforceable.

Because of this, I'm only considering in this decision whether Cabot have made a mistake and if so, what they should do put things right.

Where a financial business makes an error, or gives a customer incorrect information, we'd usually expect them to correct that error or information as soon as possible. And put the customer back in the position they would've been, had the error not occurred.

In this case, there's no dispute Cabot made an error. They told Mr R his debt was statute barred. But they later told Mr R they'd make a mistake in saying this. Cabot's member of staff had said this because an administrative error had caused Cabot's records to show the account was statute barred.

As there's no dispute about whether Cabot made a mistake or not. What remains for me to consider is what they need to do to put things right, taking into account the steps they've already taken.

Cabot gave Mr R the wrong information in November 2018. The error didn't come to light until April 2020. As soon as Mr R mentioned what he'd been told by Cabot they gave him the correct position of his account. I can understand why this would've come as a surprise to Mr R.

Mr R thinks Cabot should be required to honour the information they gave him in November 2018. He thinks they should treat his account as statue barred because they told him it was. But I don't agree there's an obligation for Cabot to do that or that it would be fair and reasonable in the circumstances of this complaint.

I say this because if Cabot had not given Mr R the wrong information, I don't think his circumstances would have been significantly changed. He would be in the same position he's in now – with this debt still outstanding. So, there's been no financial loss. But Mr R has been caused worry and inconvenience by being giving the wrong information and the position not being corrected until about 18 months later.

Cabot have offered Mr R £250 in recognition of this. I find this fairly reflects the fact that Mr R was given the wrong information and the position wasn't corrected for a long time.

### **My final decision**

Cabot has already made an offer to pay £250 to settle the complaint and I find this offer is fair and reasonable in all the circumstances of Mr R's complaint for the reasons I've explained above.

My final decision is that Cabot Financial (Europe) Limited should pay Mr R £250, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 October 2021.

Eleanor Rippengale  
**Ombudsman**