

The complaint

Ms H has complained about Cabot Credit Management Group Limited chasing her for a debt.

What happened

This complaint is about a credit card account which was opened in 2018, defaulted in 2019, and then was sold to Cabot later that year.

Ms H asked Cabot for copies of certain documents such as the credit agreement. Cabot went back to the original creditor. But ultimately, they could not get the documents, so they accepted the debt was unenforceable.

Ms H said Cabot had been contacting her too frequently and were harassing her. She felt that if the debt was unenforceable then she didn't owe it. And she was also unhappy with the default. She asked for Cabot to stop contacting her, to close her account, and to remove the default from her credit file.

Our investigator looked into things independently and didn't uphold the complaint. They didn't think Cabot's contact amounted to harassment. They explained that Ms H still owed the debt even if it was unenforceable. And they explained that the original creditor defaulted the account rather than Cabot.

Ms H 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 do understand why Ms H raised the issue of enforceability with us. But whether or not a debt is legally enforceable is something for a court to decide – I do not have the power to determine that.

With that said, even if this account is not enforceable, that only means that Cabot can't take certain legal action. The debt still exists, Ms H still owes it, and Cabot are still allowed to ask her for repayments.

There does not appear to be any dispute that this was Ms H's account. It was set up in her name and date of birth, at her address, using her contact details, and I also understand she made payments in the past. I understand Ms H requested the deed of assignment, but that's not something which Cabot needed to provide. They did send her the relevant *notice* of assignment, where the original creditor confirmed they'd sold the account to Cabot. And I've not seen anything that would make me think that this was not Ms H's account. So it looks like this was a debt she genuinely owed. And so I don't think Cabot did anything wrong in asking her for repayments.

I've also looked at Cabot's communication with Ms H, and I don't think they've corresponded with her excessively or unreasonably. For example, they said that Ms H should only pay what she can afford, and that they're happy to listen and find a sustainable payment plan. They offered to give Ms H breathing space if she was struggling, and they pointed her to organisations that could help. And when Ms H asked Cabot to only deal with her in writing, they did so. They only called and texted her a handful of times before that. And while I can see that they sent a number of letters and emails after, I don't think they were so frequent that I'd consider them inappropriate.

Lastly, I understand that Ms H is unhappy that there's a default on her credit file. But the account was defaulted by the original creditor, not by Cabot. So if she thinks they were wrong to do so, she'd need to complain about the original creditor. Cabot are just correctly reporting the status of the account.

I hope I can assure Ms H that it's quite normal for debts to be sold on like this, and Cabot still have to deal with her fairly. As they've told her, her repayments should be based on what she can actually afford. Ms H may want to get back in touch with Cabot to see what assistance they can give her with repaying the account. I'll also send Ms H the details for charities who can give free advice and help about dealing with one's debts. And Ms H can always get back in touch with us for a separate case if she subsequently feels that Cabot aren't taking account of her situation when working out how to repay the money she owes, or if she wishes to complain about the original creditor.

But as things stand now, I can't see that Cabot have done anything substantially wrong here, and I think it's reasonable that they've asked Ms H to repay the money she owes.

My final decision

For the reasons I've explained, I don't uphold Ms H's complaint in this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 18 January 2022.

Adam Charles
Ombudsman