

## The complaint

Mr S has complained that Cabot Credit Management Group Limited are pursuing him for a debt which he says is not his.

## What happened

This complaint is about a bank loan which was sold to Cabot in 2016.

Mr S asked Cabot for documents to show he owed them the debt. Cabot sent him a credit agreement, transaction history, and notice of assignment. But Mr S pointed out that those all used different references and amounts and didn't seem to relate to one another. He says he doesn't recognise the amount owed. Cabot said the references differed as the debt had been sold on more than once. They were not able to provide any further evidence that this was Mr S's account.

Our investigator looked into things independently and didn't uphold the complaint. They found that the transaction history had been taken from a wholly different account and did not relate to this debt. But they thought the credit agreement and notice of assignment matched up sufficiently. Mr S asked for an ombudsman to look at his case afresh, so the complaint's been passed to me to decide.

I sent Mr S and Cabot a provisional decision on 11 January 2022, to explain why I thought the complaint should be upheld. In that decision, I said:

*Based on what I've seen so far, I don't think Cabot have sufficiently shown that they are entitled to pursue Mr S for this debt.*

*As our investigator found, the transaction history that Cabot were given has quite clearly been taken from a different account, and does not relate to this loan. It's dated from before this loan existed, it carries the wrong account references, and it's for a completely different amount.*

*Our investigator thought the credit agreement and notice of assignment matched, but I think they were mistaken. The account references are again completely different. Cabot say that this is because the reference changed when the debt changed hands. They provided an "original account number", which was also in their internal systems. But that "original account number" also does not relate to the account number on the credit agreement provided. Indeed, that "original account number" does not appear to be in the format that the original creditor would typically use.*

*The credit agreement was also for a loan of a substantially different amount to the amount Cabot are now chasing. And I'm aware that Cabot have already been given a transaction history that does not relate to this account. So I am not reasonably satisfied that this credit agreement actually relates to this debt either. It seems likely it could be from a different account too. I certainly don't have enough to conclusively link the credit agreement and notice of assignment together.*

*Further, the notice of assignment only records the transfer of the debt from a previous debt purchaser to Cabot – it does not link the debt to the original creditor or to the original loan that Cabot say Mr S owes.*

*Cabot also argued that Mr S had made payments to this debt. But that seems to have been taken from the incorrect transaction history. I've not seen anything to show that this debt received payments from any card or account in Mr S's name.*

*Normally, in this kind of situation I'd expect the debt owner to be able to provide some substantial evidence that the customer owed the debt and that the amount outstanding was correct. This could be a credit agreement, notice of assignment, and/or statements with matching account references. They might also provide an unbroken chain of assignment notices from the original creditor through to the current owner, or records showing the loan being paid into the customer's bank account and receiving repayments in return, and so on. But Cabot don't appear to have such evidence here.*

*And if Cabot cannot reasonably show that Mr S owes this debt, nor justify what amount is outstanding, then I cannot reasonably conclude that they are entitled to pursue him for it.*

*As such, I am currently minded to direct Cabot to stop pursuing Mr S for this debt. Of course, if Cabot provide substantial evidence that Mr S owes this money – with that evidence matching up properly and being provided before the provisional decision's deadline – then I'll be open to reconsidering this.*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 8 February 2022. Mr S had nothing further to add. Cabot said they were trying to get more information from the original creditor, but in the end they added nothing further.

### **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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **Putting things right**

I direct Cabot Credit Management Group Limited to cease pursuing Mr S for this debt.

**My final decision**

I uphold Mr S's complaint and direct Cabot Credit Management Group Limited to cease pursuing him for this account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 March 2022.

Adam Charles  
**Ombudsman**