

The complaint

Mr S complains Cabot Financial (Europe) Limited have done nothing to help him with his debt.

What happened

Mr S says he's been in extreme financial difficulties since June 2010, and that he's been sending income and expenditure (I&E) forms since then. He said he's also sent Cabot letters from his GP saying he's disabled, and his condition is serious, but despite this Cabot have done nothing to help him. Mr S added he didn't agree with Cabot's failure to follow the Equality Act 2010 by treating him as a non-disabled person when he is disabled and that's confirmed by his GP and said they'd discriminated against him.

Cabot said due to past I&E forms they've not put a repayment plan in place, and no funds have been received to the account since 2017. They didn't agree they had discriminated against him, had provided reasonable adjustments as required under the Equality Act 2010, and didn't think they'd broken any laws or regulations.

As Mr S wasn't happy with this, he asked us to look into things. One of our Investigator's did so, and overall felt Mr S' debt should be written off.

Cabot accepted our Investigator's recommendation, and said the account is no longer being reported to the Credit Reference Agencies, so they can't make any alterations, and the closure will have no impact on his credit score.

Mr S said he agreed the debt should be written off but said he should have been awarded some compensation as he'd provided more than enough information to show the debt should be written off. He added Cabot had failed to follow the Equality Act 2010 and have discriminated against him because he's disabled and they've failed to acknowledge that. Because Mr S didn't agree with our Investigator, 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.

As both parties have accepted our Investigator's view that the debt should be written off, and I've seen nothing to suggest this creates an unfair outcome for each party, I don't need to discuss this in much detail. I agree the debt should now be written off.

The outstanding issue to consider is Mr S' request for compensation. I should explain that in order to award him compensation I'd need to be satisfied Cabot had made an error.

As a starting point, I think Cabot's requirement for Mr S to have completed an I&E form along with providing some medical evidence that his conditions were unlikely to get better, is reasonable.

I say that because Cabot hadn't received any financial information from Mr S since 2018. This means Cabot's information about his financial situation were several years out of date. I appreciate Mr S would point to his letters explaining he didn't have any money, but it's standard practice when someone is experiencing financial difficulties for an I&E to be completed. So, I think Cabot asking for an I&E alongside further medical evidence and offering Mr S the ability to complete it online rather than having to post documents, was reasonable and factored in his difficult circumstances.

I can see our Investigator also asked Mr S for updated financial information, in which he replied he was unable to send information in as he was just too unwell.

In relation to the medical evidence, the only information I've been provided with by Mr S from his Doctor is dated August 2021 – the same time as this complaint to Cabot that I'm considering. I've seen Cabot have been saying to Mr S they don't have anything from his Doctor's which confirms whether Mr S could get better in the future.

I think this is important, because if someone had a reasonable prospect of getting better, and returning to work, then it perhaps wouldn't be reasonable for Cabot to write off the debt – when Mr S could have been in a position in future to then repay the debt.

I understand Mr S' frustration over this, as he says it's clear he wouldn't get better. But I wouldn't expect Cabot to attempt to interpret someone's health condition themselves, and what's likely to happen in future, from a Doctor's note that doesn't say this. This could only have come from Mr S' Doctor.

The note from the Doctor now confirms Mr S has been suffering from a number of serious health conditions for over five years at this point. At this is the first evidence I've seen of this I've seen no reason to say Cabot have acted unfairly prior to this.

Overall, although Cabot have now accepted our Investigator's outcome, as I've set out above, I don't think that means they've acted unfairly by asking for further information when they did. Because of that, I won't be awarding compensation.

Mr S says after he'd told Cabot he was disabled they didn't really change how they were dealing with him and because of this he feels they've discriminated against him. I've noted Mr S didn't specify what reasonable adjustments he may have wanted. But I have noted Cabot did recognise he had a long-term health condition – which is why they placed his account with their Specialist Support Team who deal with customers who have additional needs. And I've seen he may have had a preference not to receive calls, and Cabot did offer him the opportunity to communicate in writing only.

Mr S has said he's been discriminated against under the Equality Act 2010. I've taken that into account when deciding this complaint – given it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr S wants a decision that Cabot have breached the Equality Act 2010, then he'd need to go to Court.

My final decision

For the reasons I've explained above, I partially uphold this complaint and require Cabot Financial (Europe) Limited to write off Mr S' outstanding debt.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 October 2022.

Jon Pearce
Ombudsman