

The complaint

Miss B complains about Cabot Credit Management Group Limited's actions when trying to collect a statute barred debt.

What happened

Cabot acquired a mail order debt in Miss B's name in 2012. Cabot says its agents were instructed to collect the debt on its behalf and in 2014 were informed that Miss B was subject to an IVA. In 2015 Cabot's agents were notified the IVA had failed. But the information wasn't passed on to Cabot until April 2021. At that point, Cabot contacted Miss B to ask for payment of the outstanding balance.

Miss B complained to Cabot and said it had acted unfairly by trying to collect a statute barred debt. Cabot sent Miss B a final response and accepted its agents had failed to return Miss B's account to it after being informed her IVA had failed in 2015. Cabot accepted the debt is statute barred but said it remained outstanding which meant it had a genuine reason to make contact. Cabot didn't agree that its decision to appoint a third party debt collector to contact Miss B was unfair.

An investigator at this service looked at Miss B's complaint. They thought Cabot had dealt with Miss B's case fairly and didn't ask it to do anything else. Miss B asked to appeal so her complaint has been passed to me to make a 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.

Miss B has explained she feels it's unfair for Cabot to try and collect a debt that is statute barred. Cabot accepts the debt is statute barred, which means it can't be enforced in court. But Cabot says the debt still exists and that it was recently notified by its agents that Miss B's IVA failed in 2015. I'd like to explain that whether a debt is statute barred or not isn't something we can decide – that's a matter for the courts. So I've focused on whether it was reasonable for Cabot to contact Miss B and ask for repayment.

Cabot says the debt in question came about in connection with a mail order account and that it acquired it in 2012. Cabot has explained that it thought the debt was subject to an IVA Miss B had entered into in 2014. But Cabot's agents didn't notify it the IVA had failed until 2021. That's why there was a long gap in the contact Miss B has received.

I've considered the level and nature of contact Miss B has received. I don't doubt it was distressing, especially after a long gap in contact. But Cabot has apologised for the delay. Given there was outstanding balance, I haven't been persuaded it was unfair for Cabot to contact Miss B about the debt.

I'm sorry to disappoint Miss B but as I'm satisfied Cabot had a legitimate right to contact her

about the outstanding debt I haven't been persuaded it acted unfairly or harassed her for payment.

Cabot's told us that the account has now been closed and that Miss B will receive no more contact in relation to the outstanding balance. Cabot also confirmed that the credit file entry expired in 2016 so there's no current impact to her credit file.

I'm sorry to disappoint Miss B but as I'm satisfied Cabot dealt with her complaint fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 21 October 2022.

Marco Manente
Ombudsman