

The complaint

Mr M complains Cabot Credit Management Group Limited trading as Cabot have treated him unfairly when attempting to collect debts he has with them.

What happened

I previously issued a provisional decision setting out what'd happened, and my thoughts on that. I've copied the relevant elements below, and they form part of this final decision.

Two accounts are the subject of this complaint:

- *A loan account taken out with a company I'll call L, in June 2019, which had an outstanding balance of £2,853 when sold.*
- *A credit card account taken out with a company I'll call R, in 7 June 2007, which had an outstanding balance of £5,717.24 when sold.*

Mr M raised a number of concerns during his interactions with Cabot:

- *Cabot sends thousands of letters daily but won't email him when he asks them to.*
- *He doesn't want to pay the £1 fee for his Consumer Credit Act 1974 (CCA) request, where he's provided information about the accounts, by bank transfer – as he says this could be misconstrued as validating the debt. He also said this was for postage but he's not asking them to post the documents.*
- *He's unhappy Cabot are telling him to go into a crowded post office during a pandemic when everyone has been advised to avoid crowded places.*
- *He wants confirmation his old address has been removed, and his new address added.*
- *More than one company has contacted him regarding a debt which he says is harassing, and they're harassing him for a debt that's statute barred.*
- *Cabot have breached section 40 of the Administration of Justice Act 1970 by instructing a debt collector to visit his home demanding payment which is a criminal offence.*

Cabot said:

- *They couldn't see they'd said they wouldn't email him – only that the emails would be encrypted for the safety of Mr M's data.*
- *The £1 fee is a statutory fee the CCA allows them to charge for processing the documents, it's not a postage fee. And the £1 fee wouldn't be deemed as a payment towards the account, as it's the fee only.*
- *They hadn't said he needed to go to a post office, they'd just given him options of how he could pay the £1 fee – which included postal order, cheque or bank transfer.*
- *While they can update Mr M's address, they'll keep his personal data for as long as he's a customer of Cabot. They said this generally means keeping records for six years and three months.*

- They purchased Mr M's account from L, on 23 October 2020 and confirmed this to him in writing on 16 November 2020 by sending him a Notice of Assignment (NOA). They said because of this, they've fulfilled their legal obligations to him, and are the proper owner of the debt with any monies now due to them.
- Mr M's reference to section 40 of the Administration of Justice Act 1970 is erroneous and the provisions of this Act don't apply in his circumstances. They said they'd not harassed him, and the use of doorstep agents to reconnect him with them or for the collection of debts is a legitimate course of action.
- And, from reviewing Mr M's account with R, they've said the account was opened 7 June 2007, and the last payment made in March 2018 – so the account isn't statute barred. They added in the last six months they attempted to contact Mr M by text four times for this account. They'd not send any letters, emails, or made any calls – so this didn't amount to harassment.

Unhappy with this, Mr M asked us to look into things – but explained the harassment aspect is his main concern. He said using three companies to collect a debt is harassment according to a number of organisations.

One of our Investigators looked into Mr M's concerns regarding the harassment – and found Cabot hadn't done anything wrong as they hadn't used different debt companies to collect the same debt at the same time.

Mr M didn't accept the outcome and asked how we could have decided Cabot weren't harassing him when several charities who deal with debt matters say it is. So, the complaint's been passed to me to decide.

What I've provisionally 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.

Other issues

When raising his concerns to Cabot, Mr M raised a number of other issues – he's asked that we focus on his harassment complaint but hasn't explicitly said he didn't want us to consider the other issues.

So, I've briefly commented on them for completeness:

- I've not seen anything to say Cabot wouldn't email Mr M has asked, and have seemingly emailed him with the information he's asked for in relation to the two accounts with L and R.
- I didn't see they had told him to go into a post office, it was more they offered Mr M a number of options – one of which was to get a postal order to pay the £1 fee.
- Mr M's address was updated.

So, on these points then, I've not seen anything to suggest Mr M has been treated unfairly. As a result of that, I'll move on to considering his main concerns regarding harassment.

Harassment

I can see Mr M has been contacted by three different debt collectors in relation to the two accounts. They are:

- L / FC (this debt collector has been known by two names – but are separate to the lender L who I've referred to in this decision up to this point)
- RC
- B

Mr M has said it's because three debt collectors were contacting him at the same time he feels harassed. So, I've looked at when each debt collector got in touch. For simplicity, I've started with the loan account with L.

The evidence I have shows L / FC got in touch on 1 June 2020. I think it's likely L / FC were getting in touch at the request of L. I say that because it wasn't until 16 November 2020 that Cabot first wrote to Mr M telling him they'd taken over the loan from L – some five months before Cabot became the owner of the account.

That means I can't hold Cabot responsible for anything L / FC may have done on behalf of L – because these were actions by other companies than Cabot. Because of this, I won't mention this contact from L / FC again.

Between 16 November 2020 when Cabot first got in touch, including the NOA showing they now owned this account, to 20 March 2021 they sent Mr M five letters asking him to get in touch – one per month.

I've not seen anything to show Mr M responded to any of these letters. And Cabot's next letter on 11 April 2021 said as they'd tried to contact him multiple times but been unsuccessful, they were going to appoint RC to go to the address they had on file for him. In this letter they explained the purpose of this physical visit to Mr M's last known address is to help Mr M get back in touch with them. Given up to this point Cabot hadn't had any replies from Mr M to their letters, and they explained the reason for the contact, this doesn't seem unreasonable.

RC then wrote to Mr M on 29 April 2021 asking Mr M to get in touch. In this letter, which again was about the loan account with L, RC said if Mr M doesn't get in touch within seven days they'll visit his property. They explain the purpose of this is to help Mr M engage with them to discuss the account and his options for resolving the outstanding debt. So, here, RC are also saying they won't come to his property if Mr M gets in touch.

Cabot said RC returned the account to them because they didn't think Mr M was living at the address on file anymore. I've seen in Cabot's notes this was 20 May 2021.

So, RC were getting in touch with Mr M between 29 April 2021 and carried out a visit sometime between then and 20 May 2021 when they returned the account to Cabot – saying they thought Mr M wasn't living at the address held anymore.

I've seen Mr M's reference to section 40 of the Administration of Justice Act 1970 – this relates to unlawful harassment of debtors. I need to make it clear my role is to decide things on a fair and reasonable basis – I can't decide if Cabot have broken the law.

It's unclear what specific part of the law Mr M feels has been broken, but he's said sending someone out to his address has broken this law. It's fairly common practice for debt owners / collectors to attempt different methods to try and contact someone if they're getting no reply to their existing contacts. Mr M was given notice on two occasions before RC physically went to his property – by Cabot on 11 April and then by RC by letter on 29 April 2021. On both occasions the letters went unanswered. I've not seen anything to suggest appointing someone to physically go out to someone's property isn't acceptable / against the law – and they gave Mr M plenty of notice of this happening. Given that, I can only conclude Cabot

haven't acted unfairly, because there isn't anything I'm aware of that says they can't physically send someone out to the property.

Turning now to the credit card account held with R, the first evidence I can see of any external party getting in touch about Mr M's account is 5 November 2020 where RC were instructed by Cabot to make contact with Mr M. The notes show the account was returned by RC on 11 February 2021 saying they couldn't collect on the debt and didn't know if Mr M was living at the address given or not. Mr M has provided letters from RC in relation to the loan account with L but hasn't provided any letters from RC in relation to the credit card debt with R – so, I'm unclear if any contact was successfully made with him during this time.

Following this, Mr M's account with R was placed with B. Cabot have said B can complete address traces for them. I've seen in the notes B had Mr M's account from 26 February to 9 July 2021 when, once again, the account was returned to Cabot saying they couldn't locate Mr M.

To pull all of this together then, it seems there was a crossover period where RC sent a letter about the loan account with L on 29 April 2021, visited the property between then and when they returned the account on 20 May 2021 – and when B had the credit card account with R during this time during which I can see they sent one letter dated 14 May 2021.

I think it's unfortunate Cabot have effectively employed two different agents to try and get in touch with Mr M during the same time. I have to note though Cabot had been trying to get in touch with Mr M for many months without reply leading up to April and May 2021 when the crossover period happened. I do think it'd have been better customer service for Cabot to have kept both accounts with one agent to work – but equally I can also see Cabot did use RC initially for the account with R, before B then took it over and the crossover happened. Although I realise Mr M won't agree with this, I can't say that using different agents for different accounts means Cabot have done something wrong – even if it's not been done as well as it could have been.

I've noted Mr M has provided information from debt charities that says using different agents to collect on a debt amounts to harassment. But, here, I think the key distinction is they haven't used the same agent – they've used two different agents for two different accounts. So, I don't think Mr M's scenario exactly fits the examples he's shared with us from the debt charities.

I've also considered the rest of Cabot's communication, plus those of their agents, and haven't found anything to suggest they have harassed Mr M. It seems more generally they've attempted to contact him on multiple occasions, but none of the contact appears excessive.

I've noted Mr M has talked about how these contacts made him feel and how they affected his mental health. I'm sorry to hear this and I don't take complaints made about harassment where someone says it's seriously affected their mental health lightly. But I do need to be satisfied Cabot have made an error leading to that distress. Mr M has said his harassment concerns relate to multiple debt collection agents getting in touch at the same time.

Here, Cabot have made significant efforts to get in touch with Mr M on both of his accounts. They haven't, at any point, contacted him about the same account with different debt collectors at the same time. I do think it'd be better customer service if they had kept both of his accounts with one agent – but overall, I intend to say Cabot aren't required to pay any compensation.

I'd encourage Mr M to get in touch with Cabot to try and reach a repayment agreement. In my experience, once a repayment agreement has been reached – or it's been clearly established an individual can't afford one – debt owners / collectors generally make limited contact after this. I say this only in an attempt to help Mr M nothing else.

Mr M also said both accounts are statute barred – but from what I can see on the account with R payment was made in March 2018, and the account with L was opened in June 2019 – with payments made between July and December 2019. My understanding is accounts can only potentially become statute barred if no payment has been made to the account in the last six years. Only a court can decide if an account is statute barred or not, but a debt owner / collector does need to make it clear if the account is unenforceable at any point. Again, having reviewed Cabot's communication, I think they've said this to Mr M when he'd raised a query about the original documents under the CCA request and before they sent them – but then once received the account became enforceable again. So, I think Cabot have fairly presented the status of the account.

I've also noted Mr M's comments about how debt companies generally work. I need to make it clear my remit is solely to consider the circumstances of Mr M's case – I don't have the power to change how the industry itself operates.

Responses to my provisional decision

Cabot replied to my outcome and said they were in agreement with the outcome I'd reached and had nothing further to add.

Mr M didn't reply by the deadline.

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 Cabot agreed with my outcome, and Mr M didn't reply by the deadline, I've seen no reason to change the outcome I reached above – which was to say Cabot aren't required to pay Mr M any compensation.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 January 2023.

Jon Pearce
Ombudsman