

## **The complaint**

Mr I complains that Cabot Credit Management Group Limited (Cabot) has unreasonably harassed him to pay an outstanding debt.

## **What happened**

Cabot says that it purchased a defaulted credit card debt in Mr I's name in early 2020. At that time, the original lender (O) and Cabot sent Mr I Notices of Assignment that set out the new arrangements. Cabot started reporting a default on Mr I's credit file. Cabot went on to contact Mr I and request repayment of the outstanding balance.

Mr I obtained a copy of the original credit agreement and complained that they were signed online and that the format of the date wasn't correct. Mr I also said the credit agreement didn't make provisions for O to assign or sell the debt to a third party. Mr I has told us that because of the issues he's highlighted he doesn't believe the credit agreement can be enforced in court by Cabot.

Cabot issued a final response but didn't agree it had harassed Mr I for repayment. In addition, Cabot didn't agree that the issues raised with the credit agreement meant the balance wasn't due. But in February 2023 Cabot took the decision to close Mr I's account and no longer pursue him for the outstanding balance. Cabot has confirmed that the default will remain on Mr I's credit file.

An investigator at this service looked at Mr I's complaint. They obtained a copy of the associated terms and conditions for the credit card with O and said there was provision for the debt to be assigned or sold to a third party. The investigator also said that legal arguments concerning whether the credit agreement is enforceable are a matter for the courts.

Mr I asked to appeal and his 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

Mr I has made a number of arguments concerning whether the debt can be legally enforced by Cabot in court. I understand Mr I is concerned that the credit agreement was signed online and that the format of the date isn't in line with what's generally used within the UK.

But the Financial Ombudsman Service is an informal dispute resolution service and we decide complaints on a fair and reasonable basis. It's not our role to say whether a credit agreement can be enforced in court. That's a matter for the courts to decide. I've taken what Mr I has told us into account along with the relevant rules and regulations Cabot operates under when deciding how to fairly resolve his complaint. I haven't been persuaded that it was unreasonable for Cabot to rely on the credit agreement supplied by O when contacting Mr I about the outstanding balance.

Mr I has pointed out the credit agreement didn't make a provision for the debt to be assigned, or sold, to a third party. But the investigator obtained a copy of the associated terms and conditions that were supplied by O at the point the credit card was opened. I can see that the top of O's credit agreement refers to the terms and conditions in addition to the information contained. So I'm satisfied it's more likely than not that the terms and conditions were supplied at the time the application was completed online.

The associated terms and conditions say O could transfer its rights to a third party at any time without notice. The terms says O will notify the borrower if it takes that step. I can also see that Cabot issued a Notice of Assignment to notify Mr I of the change in arrangements when it purchased the credit card debt from O. Having reviewed the associated terms and conditions I'm satisfied there is provision for the debt to be assigned to a new owner and that the relevant steps were followed.

I've also reviewed the level and nature of contact Mr I received from Cabot. I understand why Mr I was frustrated to be contacted by Cabot but I haven't been persuaded that there's evidence that shows he's been harassed. As I'm satisfied Cabot purchased a valid debt in Mr I's name from O, I haven't been persuaded it was unreasonable for it to contact him to discuss repayments.

Ultimately, Cabot has taken the decision to close Mr I's account and not pursue him for the outstanding balance. I'm satisfied that's fair in the circumstances of Mr I's case. Cabot has confirmed that whilst it's not seeking repayment from Mr I, it will continue to record the default on his credit file until 2026, when it's six years old. As the debt hasn't been repaid and I'm satisfied it was legitimately acquired by Cabot, I haven't found grounds to tell it to remove the default from Mr I's credit file.

As I'm satisfied that Cabot dealt with Mr I's complaint fairly I'm not telling it to do anything else.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 11 August 2023.

Marco Manente  
**Ombudsman**