

The complaint

Mrs W complains that Cabot Credit Management Group Limited trading as Cabot Financial (Europe) Limited (Cabot) harassed her about a debt that wasn't hers and failed to accept the evidence she provided that the account opened fraudulently.

Mrs W is represented in this complaint by her husband but for ease of reading I will only refer to her throughout this decision, even where the actions have been his.

What happened

Mrs W was sent a notice of assignment letter (NoA) in regard to a catalogue shopping account in January 2024; the letter was sent to an address found through public records. The address wasn't Mrs W's but was her sister's address. Because of this the letter was passed on to her. The letter also included information telling Mrs W the catalogue shopping account had been sold to a debt purchaser (DP) and they had appointed Cabot to service the account and in turn Cabot had appointed a debt collector (DC) to collect the outstanding balance on their behalf.

Mrs W didn't recognise the account and contacted both Cabot and DC to dispute the debt. Cabot placed a 30 day hold on the account and informed Mrs W that the original lender (OL) would need to investigate the fraud allegation but in order for them to do so she would need to provide information to them including, a copy of an identification document, such as passport or driving licence, a document showing her address at the time the account was opened and a crime reference number.

Mrs W did report the matter to Action Fraud (AC), as her local police station wouldn't take a crime report, she provided the AC reference number to Cabot. She didn't provide any of the other information they had asked for, as she felt the AC reference number should have been enough.

This was dealt with by Cabot as a complaint, they didn't uphold it. They insisted that they needed all the information they had requested to be able to ask OL to investigate the fraud allegation.

Mrs W later took her dispute directly to OL who agreed the account was opened as a result of fraud and arranged to buy back the account and close it down.

Mrs W referred her complaint to our service, she said that Cabot should have accepted the evidence she provided them with, to show the account was fraudulent and so should have stopped contacting her about the account. She also said this matter has caused a lot of distress to her because she has health issues and was waiting for an operation at the time, this caused distress to her family too. Additionally, she has said this had an impact on her sister as the letter had been sent to her address. There had also been a level of anxiousness about someone coming to the home address to pursue the debt.

Our investigator didn't uphold Mrs W's complaint. In summary they said they didn't think Cabot had acted unfairly when asking Mrs W for the information they had. And that most of

the correspondence they had seen between Cabot and Mrs W had been in relation to this and not in relation to Cabot pursuing payment of the debt.

Mrs W didn't agree with the investigator's findings, she argued that Cabot hadn't answered her concerns adequately and hadn't justified why they needed the information they asked for and nor did they tell her how to contact OL.

The matter has now 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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. Both parties are well aware of the circumstances and so I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me. If I've not reflected something that's been said, in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

The key issue here seems to be that Mrs W believes Cabot were requesting an unreasonable amount of information from her, to enable OL to begin a fraud investigation. And this resulted in unnecessary upset and worry for Mrs W and her family. She also feels they didn't answer her queries when she was asking for justification for the information being needed.

Cabot cannot investigate if an account was opened fraudulently, as they wouldn't have all of the details that were provided to OL when the account was opened or be privy to any of the checks that were or were not carried out at application stage. So, when an allegation like Mrs W's is made, I'd expect Cabot to place a hold on collections of the account and follow whatever process they have in place for raising the allegation with the original owner of the account, in this case OL.

So, my starting point here is to think about if Cabot followed the internal process they have in place. Cabot has shown evidence that OL requires Cabot to provide certain information to them when they pass over a fraud allegation. This is an instruction directly from OL and it lists:

- A copy of the person's identification,
- Proof of address at the time the account was opened; and
- And a crime reference number from the police

I can see that in their letter of 19 January 2024, they asked Mrs W for all of this information and explained to her that they would place a 30 day hold on the account to allow her time to provide the information. They also said in this letter they would pass this information to OL, in order for OL to be able to move forward with the fraud investigation. So I'm satisfied Cabot did what I'd expect here. Mrs W did try to report the matter to the police, but they wouldn't take the report and directed her to AF. So, she couldn't do anything about not having a police crime number. However, she decided not to provide the additional information requested as she didn't think Cabot had justified why they needed it. But I think their letter of 19 January 2024, noted above, they did explain what they were going to do with the

information, and I think this is enough. I can't say I consider the information they requested to be excessive in the circumstances.

Having said that I accept when Mrs W raised the matter directly with OL they didn't require as much information from her, although she did have to provide some more information to them than she did to Cabot, including address verification for the time the account was opened, and it appears this helped OL to decide the case was fraudulently opened. OL was entitled to accept less information when making the decision if they wanted to, but that doesn't mean that Cabot did something wrong by following the process they have in place with OL and asking for the information they did.

Had Mrs W provided the AF reference number and the proof of address information to Cabot, I might have said they should have approached OL to see if they could start their investigation with that information, but I don't think it was unreasonable for them not to act on the AF reference alone.

Mrs W has said that Cabot didn't tell her how to get in touch with OL to take her allegation forward, but I don't think they needed to. I say this because they were offering to pass the allegation on for her, all she needed to do was pass them the information, which as I've already explained she chose not to do. They did also give her the name of OL and the details of the account so I don't think it would have been too difficult for her to be able to get in touch with OL directly if she wanted to, and this was evidently the case as she did take her allegation to OL directly.

Our service cannot make a finding on harassment, only a court can decide that as it's a crime, so if Mrs W would like a finding on this point she may want to take legal advice about how she can bring that before the court.

But I have considered if the contact Cabot had with Mrs W was reasonable in tone and volume, and I think it was. The volume wasn't excessive and majority of it was to do with the fraud allegation and not about the pursuit of the outstanding balance. And the tone of the correspondence was clear polite and professional, so I can't say the contact from Cabot was unreasonable.

Mrs W has told us this had an impact on her family as well as her. I can only consider the impact on her in this complaint as the account was in her sole name, so she is the only eligible complainant here. But I do accept it would have been upsetting for her family to see her distressed.

I appreciate that getting a letter out of the blue telling her she owed money on an account she was unaware of would have been worrying for Mrs W. And I can understand it would have been distressing for her to think someone had used her identity. But in deciding this complaint I must only consider if Cabot did something wrong that caused that distress. And bringing together all of the above I can't fairly conclude that they did, so I won't be asking them to do anymore here.

I realise Mrs W will be disappointed with this outcome. But my decision ends what we – in trying to resolve her dispute with Cabot – can do for her.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or

reject my decision before 10 April 2025.

Amber Mortimer
Ombudsman