

The complaint

Miss R complains Cabot Credit Management Group Limited trading as Cabot Financial (Europe) Limited (Cabot), are unfairly asking her to repay a debt she says is included within an Individual Voluntary Arrangement (IVA).

What happened

In April 2024 Cabot acquired a debt from a company I'll refer to as L. The debt related to a joint overdraft Miss R held with her partner.

In May 2024 Cabot contacted Miss R and asked her to repay the debt. Miss R told Cabot the debt was included within an IVA and as such she didn't consider she needed to repay it.

Cabot looked into this but said they were unable to locate an IVA for Miss R so continued asking her to repay the debt.

Miss R complained and Cabot sent the first of two final responses in September 2024. In summary, this said there was not enough evidence the debt was included in an IVA Miss R held, so they were right to ask her to repay this. But they offered £50 to apologise for not responding to her email sooner.

Miss R remained unhappy and said Cabot were harassing her. They looked into the matter further but concluded in December 2024 they were right to ask her to repay the debt and their contact didn't amount to harassment.

As this didn't resolve matters Miss R contacted our service. She said the debt was included in her partner's IVA but Cabot continued to contact her – despite raising two complaints about the matter. Miss R didn't consider she owed Cabot any money and every letter she received from them was causing her more stress. She said the debt was negatively impacting her credit file and questioned why Cabot were only contacting her given it was a joint debt.

An Investigator here reviewed matters but concluded Cabot hadn't acted unfairly. Saying as the IVA was not in her name, they were right to contact her. They explained as it was a joint debt Miss R was jointly and severely liable for this.

Miss R didn't agree, reiterating the debt was already being paid as part of her partners IVA and she didn't consider it fair she should pay this twice.

With no resolution the complaint has 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.

In considering what is fair and reasonable, I've taken into account the relevant industry rules

and guidance, and what would be considered as good industry practice.

Firstly I think it would be helpful to explain I'm only able to consider whether it's fair for Cabot to contact Miss R and ask her to repay the debt. I'm not able to consider their actions, or lack of, against her partner.

I'm also aware that Miss R made a previous complaint about this issue, that Cabot upheld in part. But their delay in responding to her email isn't something that forms part of this complaint, so I won't be commenting further on that point.

Cabot have explained even though the debt was in joint names, as the IVA isn't in Miss R's name they are able to contact her and ask her to repay the debt. This seems reasonable.

I say this because, as our Investigator explained, joint debts are joint and severally liable. This means where more than one person is jointly liable for a debt, as is the case here, each person is also individually liable for the entire debt.

Here Miss R has confirmed the IVA isn't in her name, it's in her partner's name. As such, she is still responsible for repaying the debt, because as explained the debt is joint and severally liable.

Even though Miss R's partner may have included this debt in their IVA, it doesn't follow that Miss R's responsibility to it is extinguished.

Our Investigator pointed Miss R to guidance from a third-party organisation on this point, which I think is relevant here. This says:

Can joint debts be included in an IVA?

You can include part of a joint debt in an IVA, but:

- *The other person is still responsible for making payments towards it*
- *They have to pay the remaining money back even if you have some of the debt written off in your IVA*

Companies such as Cabot are required to report information to credit reference agencies (CRA's), so correct information appears on an individual's credit file. As I think it's fair for Cabot to contact Miss R and ask her to repay this debt, I also think it's reasonable for Cabot to share this information with the relevant CRA's. So I won't be asking Cabot to remove this from Miss R's credit file either.

Miss R says Cabot has been harassing her to pay a debt she doesn't consider she should pay. Harassment isn't something I can reach a finding on as it's a criminal offence. So, this is something Miss R would need to pursue via the courts if she wanted a ruling she has been harassed. But I can consider whether Cabot have treated Miss R fairly when contacting her – and having reviewed all of their contacts, I'm satisfied they've done so.

While I understand Miss R will be disappointed, I'm satisfied Cabot has a legitimate right to contact her about the outstanding debt. Overall, I don't consider Cabot have acted unreasonably so I don't require them to take any further steps in respect of Miss R's complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 25 April 2025.

Victoria Cheyne
Ombudsman