

The complaint

Mr B complains Cabot Credit Management Group Limited incorrectly changed his details which led to him receiving a County Court Judgment (CCJ).

What happened

Mr B says on 5 March 2024 following a Subject Access Request (SAR) he found Cabot had recorded a CCJ against him for a debt he owed to them. The CCJ date was 4 August 2016, and he said the reason it'd been wrongly obtained was because the paperwork was sent to an incorrect address. Mr B also mentioned he'd made a request for a copy of the credit agreement which hadn't been provided at the time of the CCJ being granted.

Cabot accepted they'd made an error about the CCJ – and due to the time that'd passed it was no longer showing on Mr B's credit file. Initially, they offered Mr B £500 compensation and said Mr B was first aware of the CCJ in 2017 but didn't raise his concerns until 2024 – but after further discussions ultimately agreed to offer him £15,000.

Unhappy with Cabot's offer of £15,000, Mr B asked us to look into things – listing out points of concern, and what he wanted as a resolution from Cabot – which included a total financial claim of £21,015.95.

One of our Investigators considered things, but overall felt Cabot had done enough to put matters right.

Mr B didn't accept this, saying we hadn't considered the conduct of Cabot or the calculations. Mr B said his further evidence is we hadn't reviewed the evidence and asked for the case to be passed to an Ombudsman. So, the complaint's 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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr B's complaint in considerably less detail than he has. If I've not reflected something that's been said 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. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

The resolution points Mr B has raised are:

- Formal written apology
- Thorough internal review

- Correction of inaccuracies
- Adequate compensation

I'll address each of these – but I think the crux of the complaint is whether Cabot have paid Mr B sufficient compensation or not.

Formal written apology

Mr B has asked Cabot for a formal written apology. This was in his letter received by our service on 3 August 2024.

In Cabot's letter of 14 May 2024, they say under the heading of conclusion "*I am very sorry we have not administered your account correctly and for any inconvenience it has caused you as this was never our intention.*"

So, I'm satisfied Cabot have already apologised in at least one of their letters – possibly more. In any event, I wouldn't have required them to do so, as a forced apology I think would lack sincerity.

Thorough internal review

Mr B hasn't elaborated significantly on what he means – but, like our Investigator – I've taken him to mean he wants Cabot to be reviewed.

The purpose of our service is to consider individual complaints and provide a fair and reasonable answer. We don't have the kind of powers to audit a company in the way I believe Mr B is suggesting. Our Investigator explained the Financial Conduct Authority is the regulator of the financial services industry, so Mr B may wish to contact them regarding this point.

Correction of inaccuracies

Reviewing Mr B's correspondence I can see a number of references to items he says are inaccurate which were presented to the court.

Our service wouldn't look to correct inaccurate information the court may or may not have been provided with – the court would be the best body to pursue this issue with.

Adequate compensation

Mr B's claim is for £21,015.95 – and Cabot have paid £15,000.

So, the first question I need to answer is whether the £15,000 Cabot have paid is a fair way to put this right.

To help me decide that, I've looked at the breakdown Cabot have provided of their offer.

Loan with a company I'll refer to as P:

- £8,470.77 – excessive cumulative interest paid
- £2,323.79 – excess interest for outstanding loan term
- £10,794.56 – total for this element

Loan with a company I'll refer to as M:

- £2,891.82 – interest claimed less rebate (this is also the total amount)

Distress compensation (as Cabot have called it)

- £627 – communication efforts
- £600 – general distress and illness claim
- £1,227 – total for this section

Cabot said this came to £14,913.38 and have seemingly rounded it up to £15,000.

I think it's important to explain this is a *significant* amount of money that Cabot have offered to resolve this matter – and far in excess of any other offer I've ever seen from any debt company.

Thinking about Mr B's claim – excluding the above, Mr B is also asking for:

- £4,179.57 – Loan P statutory interest
- £2,491.38 – Loan M Finance interest
- £1,500 – distress and illness (Cabot offered £600 leaving a difference of £900)
- £1,650 – communication efforts 33 x £50 (Cabot offered £627 for this leaving a difference of £1,023)

Cabot said they wouldn't pay Mr B's claim for statutory interest as it doesn't apply to his circumstances – and are otherwise satisfied they've made a fair offer.

Statutory interest is defined as:

The interest you can charge if another business is late paying for goods or a service is 'statutory interest' - this is 8% plus the Bank of England base rate for business to business transactions. You cannot claim statutory interest if there's a different rate of interest in a contract.

So, in a customer to business transaction, I'm satisfied this doesn't apply – meaning Mr B isn't eligible for the £4,179.57 part of his claim.

In respect of the £2,491.38 I've not been provided with evidence to prove Cabot are solely or primarily responsible for this level of increased interest – so I won't be awarding this.

For the distress and illness claim I can see Cabot did award £600 for this – though this leaves a £900 difference. There's no doubt that having a CCJ recorded incorrectly is distressing and shouldn't have happened – but I think in the circumstances Cabot awarding Mr B £600 is more than fair – and likely more than I'd have awarded if I'd considered this separately.

Finally, the communication Mr B has had with Cabot is something they've awarded him £627 for. We wouldn't generally award compensation for communication in isolation as Cabot have here – typically we'd include this as part of the overall compensation award. And, as I've already said above, the compensation is above what I'd likely have awarded in the first place.

If I were to look at things holistically, I'd also say Mr B knew about the CCJ in 2017 but took no action to mitigate any losses by complaining about it earlier. So, I think Cabot's offer of £15,000 is far in excess of anything I'd likely have awarded him for this issue.

Overall then, I've seen no reason to require Cabot to increase the award they've made to Mr B.

My final decision

For all 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 B to accept or reject my decision before 18 April 2025.

Jon Pearce
Ombudsman