

## The complaint

Miss O complains Cabot Credit Management Group Limited are asking her to repay more towards a debt than they should be.

## What happened

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

*Miss O took out a loan with a company I'll refer to as L. The loan was for £2,950, with interest of £2,428.16, meaning a total amount of £5,378.16 was to be repaid. I understand L defaulted the loan on 31 July 2021. The loan was then sold to a debt purchaser (DP) who then asked Cabot to service the account in January 2022.*

*Miss O complained to Cabot about the amount of the debt – saying she'd been irresponsibly lent to by L, so wouldn't be paying the interest. She also said Cabot had been harassing her to get her to repay this debt. Miss O also wanted a copy of the credit agreement with two wet signatures to prove it was legitimate.*

*On 6 July 2023 Cabot set out the circumstances of the loan, providing a copy of the agreement which shows the amount being borrowed and how much was to be repaid. They said they understood Miss O had already complained to L, who rejected her irresponsible lending claim. Cabot said they couldn't comment on L's response or make any amendments to the outstanding balance. Cabot added since January 2022 when they started servicing the account their contact record was:*

- 1 email
- 7 letters
- 13 text messages
- 75 phone calls

*Cabot didn't think this was excessive and said they could see Miss O was now with a debt charity, so this would limit contact with her. Overall, they didn't uphold Miss O's complaint.*

*Unhappy with this Miss O asked us to look into things and let us know she wasn't with the debt charity anymore.*

*One of our Investigators considered things, but overall didn't uphold the complaint.*

*Miss O didn't accept this. Across a number of responses, she said:*

- *She won't be paying back the interest*
- *Cabot stalked her with 76 calls*
- *They have no Deed of Assignment (DOA) to show she borrowed from them*
- *She has severe health issues, so as a bare minimum the interest should be removed*

*Because of Miss O's responses, her 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'm aware our Investigator said there were elements of this complaint that Cabot weren't responsible for. But, in my view by appointing a regulated debt servicer, DP passes on responsibility for all actions under Article 60B(2) to Cabot. So, I'll be taking the approach that Cabot is responsible for the activity of exercising the lender's – in other words the owner of the debt (DP) – rights and duties under a regulated credit agreement. So, I'll be considering these elements against Cabot.*

*I did want to say I can see things have been extremely difficult for Miss O over the time she's had this loan. She also has a number of health conditions – and for those reasons she has my significant sympathy for how she's been feeling. But, I need to make it clear I can only uphold her complaint if I'm satisfied Cabot have done something wrong.*

*I think it's important for me to explain I can't consider this complaint as an 'irresponsible lending' complaint that Miss O has raised on other occasions. Generally only the lender who gave a loan (or other credit) would be responsible for answering an irresponsible lending complaint. And if that complaint is upheld, then interest is removed. Here, that's L, and I can see Miss O raised a complaint to L about irresponsible lending – and they didn't uphold her complaint so didn't agree to remove the interest. Our service has told Miss O she's brought that complaint to our service too late.*

*So, all I can do here is look at whether Cabot are asking Miss O to repay a debt she legitimately owes – and whether they've treated her fairly in their contact with her.*

Amount Cabot are asking Miss O to repay

*Miss O wants Cabot to remove the interest, and a bit more for the stress they've caused her, and then she'll repay what's left.*

*Cabot say the full balance is owed because this is what Miss O borrowed.*

*The removal of interest from a loan balance is one of the options if a complaint about irresponsible lending is upheld. But, as I've said above, this isn't an irresponsible lending complaint – it's a complaint about a debt servicer asking someone to repay an outstanding balance.*

*Against that context, I can only look to see if Cabot have in some way calculated the balance they say Miss O owes incorrectly. If they have, then I can tell them to reduce it. But, if the balance owed has been calculated correctly, then I can't say they're doing anything wrong by asking for full repayment.*

*I've seen a statement of account that L provided to Cabot – and Cabot said this was shared with Miss O. She's not disputing that any specific payments are wrong – so in view of that, I've seen nothing to suggest the balance isn't correct and payable. Because of that, I don't think Cabot are acting unfairly in asking her to repay the debt.*

Miss O's health conditions should mean they remove the interest or write off the debt

*Miss O said she's asked them to consider her health issues, and to remove the interest as a minimum, or write off the debt because she's not going to pay back anything she didn't borrow.*

*Cabot say they considered Miss O's health issues, but decided it was being managed and they didn't think it was appropriate to write off her debt.*

*As a starting point I'd expect Cabot to consider any and all information a customer may wish to provide about whether to write off a debt or not. And, as long as they've considered this fairly, I wouldn't require them to write off any or all of the balance.*

*I've read through Cabot's information they've provided about whether to reduce or write off the debt, and I'm satisfied they've considered things fairly. So, I don't currently intend to ask them to do anything further here.*

*Cabot don't have a DOA or a wet signature copy of the agreement so can't ask her to repay the debt*

*Miss O says because Cabot don't have a DOA, they can't ask her to repay the debt.*

*The DOA is a contract between the seller and the purchaser – so I wouldn't usually expect someone to be given a copy of the DOA. Instead, a Notice of Assignment should be sent, which gives Cabot the right to request payment of the debt. I can see this was sent to her.*

*In addition, Miss O wants a copy of the agreement to prove she owes the money – but she's accepted she did borrow the money – and I understand she did so electronically – so there won't be a copy of a credit agreement with her physical signature on it.*

*In the circumstances, I'm satisfied neither of the above issues mean Cabot aren't entitled to ask Miss O to repay the debt.*

*Contact with Miss O*

*Miss O says Cabot's contact is harassment because they're contacting her so frequently.*

*Cabot said the amount of their contact wasn't excessive, and in any event Miss O is now with a debt charity which will reduce the contact from them significantly.*

*I can't decide if Miss O has been harassed, as that's a criminal offence. I can though decide if I think Cabot have acted fairly and reasonably in contacting her.*

*Generally speaking debt companies will continue to contact customers if there is no payment arrangement in place. If there is a payment arrangement in place, then usually that contact will cease as long as the agreement is kept to.*

*Cabot said this is their level of contact in their letter to Miss O:*

- 1 email
- 7 letters
- 13 text messages
- 75 phone calls

*Thinking about this in context, there are 18 months between Cabot taking over servicing the account in January 2022, to the date of the complaint when they provided these figures in July 2023. I can only look from November 2022 – because Miss O made a previous complaint about harassment and didn't refer the matter to us in time.*

*So, taking that into account, I'm looking at eight months – and Cabot's records show in that time there were around 35 calls. This comes out to just over four contacts a month, or around one contact a week. If Miss O doesn't have a payment plan in place that she's keeping to, these don't seem overly excessive to me. As I've set out above, Miss O does*

*owe this money, so I can't say Cabot are acting unfairly in contacting her to set up a payment plan.*

#### Summary

*Taking everything I've seen into account Cabot aren't responsible for Miss O's irresponsible lending claim. This means they don't have to remove the interest for this reason, and I'm satisfied they considered her health conditions fairly. I'm also satisfied they're fairly asking her to repay the debt, and their contact hasn't been unreasonable.*

#### **Responses to my provisional decision**

Miss O replied and said she won't pay back money she didn't borrow.

Cabot 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.

Miss O hasn't raised any new points for me to consider – just reiterated she doesn't think she should have to pay back the full balance Cabot are asking her to pay.

For all the reasons I mentioned above, I'm satisfied Cabot are fairly asking her to repay the balance they are – so I don't think they've done anything wrong.

#### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 21 April 2025.

Jon Pearce  
**Ombudsman**