

The complaint

Miss D complains Cabot Credit Management Group Limited trading as Cabot Financial (Europe) Limited:

- Have been contacting her about a debt that's already been paid
- Are harassing her about this debt
- Haven't provided her with documents she's asked for
- Are asking her to repay £34,000 when she says this amount should be significantly less

What happened

As I understand it Miss D had a loan with N which fell into arrears. Miss D says the loan was taken out in 2005 and was repaid in 2012. But it was seemingly sold to a debt purchaser. Cabot say they were assigned to service the account on 29 March 2018.

Cabot wrote to Miss D telling her the outstanding amount was £9,694.10, and the only statements they've been able to give Miss D are from 2008. Miss D says she paid off the loan, but says Cabot told her N said the loan hadn't been paid off. Miss D says for a loan to be enforceable there must be a signed loan agreement, but no one can provide it to her. Miss D has asked them to stop contacting her about the debt she says doesn't exist, but they haven't.

Cabot said the loan was opened in 2005 and defaulted on 25 January 2007. N had sold the account, and Cabot were now responsible for collecting payments. They noted Miss D's concerns about the age of the account, but payments had been made up to March 2021 – so she'd acknowledged it during that time. They noted Miss D's concerns about the account having been repaid, but they'd passed those over to N – who said it hadn't. Cabot accepted they'd made an error in not contacting Miss D between 2021, and 2024 – and offered her £100 in recognition of this. Otherwise, they didn't think they were doing anything wrong in asking her to repay the debt.

Unhappy with Cabot's reply, Miss D asked us to look into things.

As part of our standard process, we asked Cabot for their file. They replied, and said they'd made an error where there was a three-year period where they didn't contact Miss D – and previously she'd been making payments of £8.25 a month. So, rounding this up to £10 a month for the period they didn't get in touch with her they've reduced the balance of the account owing by £430. They also wanted to increase the compensation from £100 to £200.

In a separate decision I ultimately decided I couldn't consider Miss D's complaint points about Cabot:

- Contacting Miss D about a debt that's already been paid
- Harassing her about this debt – up to 21 June 2021

That's because she brought those points outside of the time limits our service has to apply.

But, I said what our service could consider was:

- Harassing her about this debt since 21 June 2021
- Haven't provided documents to her she's asked for
- Are asking her to repay £34,000 when she says this amount should be significantly less

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 Miss D's complaint in less detail than she 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.

Are Cabot harassing Miss D

Miss D says Cabot are harassing her – but is framing this in the context of her debt having already been paid off.

As I've said above, I can't consider whether the debt was paid off or not – but I have looked at the correspondence they've been sending Miss D – to make sure I'm satisfied the tone and frequency is reasonable.

Having done so, I've not seen anything inappropriate in the communications themselves – so I'll go on to the substantive points Miss D has raised.

Cabot haven't provided her with documents she's asked for

During her contacts with Cabot Miss D has asked them to provide a copy of the credit agreement, and statement of account from when it opened in 2005 to date. But, complains Cabot never provide them.

I can see Cabot made the request to N for both the credit agreement, and statements going back from the opening of the account to date.

In terms of the credit agreement, given the request was made many years after the loan was taken out, it doesn't surprise me this isn't something Cabot can obtain from N.

Miss D says this makes the account unenforceable, and means she won't pay anything towards it, and Cabot should stop contacting her.

I can't decide whether an account is unenforceable or not, only a court can. But, Cabot can treat an account as unenforceable where appropriate.

Whether Cabot accepts the debt is unenforceable or not, doesn't mean Cabot can't ask Miss D to repay the debt. The debt still exists, and from what I can see is legitimately owed – so Cabot have a fair reason to continue contacting Miss D for repayment of the debt despite this.

I'll talk more about the statements in the next section – as they're most relevant to the amount Cabot are asking her to repay.

Cabot asking Miss D to repay £34,000 in total

Miss D disputes the total figure of £34,000 saying it never should have been this much.

Cabot say they're satisfied by asking Miss D, at this point, to repay £9,694.10 they're asking her to repay the correct amount she owes.

Because of the time that's passed it's not overly surprising Cabot, N and Miss D aren't able to provide all the records – we're talking about a loan taken out around 20 years ago and most financial institutions only keep records for six years.

Despite that, I have seen a copy of a statement from N showing the opening balance of the loan account in September 2005. The balance is £34,534.08.

Miss D says this is the balance made up of the loan amount, plus interest plus payment protection insurance (PPI). So, Miss D accepts the figure of £34,534.08 was accurate at the start of the account existing – but says elements of it have been paid off.

Unfortunately, there isn't enough evidence to prove this. Because I don't have a statement of account from the date of opening, to now.

But I should also reiterate I'm only able to consider the actions of Cabot at this point – rather than anything N may or may not have done.

In the Notice of Assignment (NOA) sent on 11 June 2018 N said the outstanding balance was £10,407.10. Given I can only look at Cabot's actions, I'd essentially need to be satisfied this amount has since been paid off.

Most of Miss D's comments about the reduction of the balance relate to the time the account was with N. But, I've also seen Miss D make complaints to N about a number of different topics. Whether she has complained to N about the balance or not I'm unclear, but ultimately I'm satisfied it's reasonable for Cabot have relied on this figure from the NOA. If N felt the balance was wrong, then they'd have reduced it. And none of the paperwork I've seen from N shows they were definitely reducing the balance owed.

And, although some payments have been made, they haven't been enough to pay off the balance – and the figure of £9,694.10 (before the reduction Cabot have since offered of £430) seems broadly correct. So, in the circumstances, I've not seen enough to suggest Cabot are asking Miss D to repay the wrong amount.

In response to our Investigator reaching the same outcome, Miss D asked why she's being expected to repay interest and PPI so many years later.

The interest was added to the loan when she first took it out – and the PPI would have been the same. I can't comment on whether the interest or PPI should have been removed from the loan – as that'd have been a decision for N to make – not Cabot.

Miss D has also made the argument that she's paid back more than the £20,000 she borrowed. But, again, the only party I'd expect to reduce her balance for the interest or PPI would be N – and that would usually only be if N accepted the loan had been mis-sold, or the

PPI had been mis-sold. While I appreciate Miss D may strongly believe she's proven that, it'd be something for N to address not Cabot.

Remaining issues I need to address

Cabot have said for a period of three years they made an error by not getting in touch with Miss D. To recognise this, they're going to reduce the amount of the debt Miss D owes by £430.

Miss D says this amount should be paid directly to her, as there is no debt outstanding.

As I've found above, there is a debt outstanding, so I'm satisfied it's appropriate for the £430 to be used to reduce Miss D's liability to Cabot. I'd also add this is more than I'd likely have awarded if Cabot hadn't proactively offered it.

Cabot have also offered Miss D a total of £200 compensation for their failure to contact Miss D during the three-year period. I think that's fair and reasonable in all the circumstances of this complaint – particularly given Miss D's complaint is about them harassing her when they did get back in touch, when I've found they've treated her fairly.

I can see how strongly Miss D believes she's being treated incredibly unfairly by Cabot. But I'm afraid none of the evidence she's provided proves the balance Cabot are asking her to repay is wrong. I am genuinely sorry to hear of the impact this issue has on Miss D, as I can't imagine having to deal with this matter for so long is pleasant at all. But, being impartial means I have to follow what evidence I do have, in order to reach an outcome that is fair and reasonable to both sides.

My final decision

I partially uphold this complaint and require Cabot Credit Management Group Limited trading as Cabot Financial (Europe) Limited to:

- Reduce Miss D's outstanding debt by £430
- Pay Miss D £200 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 12 August 2025.

Jon Pearce
Ombudsman