

The complaint

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

- Asked her to repay a debt she doesn't think they should
- Been reporting a default incorrectly
- Delayed dealing with her court claim which lost her the chance to complain about her credit card being irresponsibly lent

What happened

Miss B says this debt came about due to irresponsible lending by the original lender – who I'll refer to as N. As such, she doesn't think it's fair they're asking her to repay the debt. She also thinks the date of the default was recorded incorrectly as she had paperwork showing it should be recorded in 2017, but they'd reported it in 2018. And she wasn't happy Cabot's agent – who I'll refer to as M – had delayed responding to her counter claim for 18 months leading to her missing out on being able to make her irresponsible lending claim to N.

Cabot replied to Miss B's complaint on 23 April 2024. They said they'd spoken to N who confirmed the default date of 27 April 2018 was accurate – and the default would be removed shortly anyway as they only stay on someone's credit file for six years. And M had responded about the delay in replying to court proceedings. Overall, Cabot didn't think they'd done anything wrong.

Unhappy with this, Miss B asked us to look into things.

One of our Investigators did so, and overall found Cabot hadn't done anything wrong, so didn't think they had to do anything.

Miss B didn't accept this. She said she was only aware she should complain to N when Cabot told her so – and by then it was too late. Because Miss B didn't accept our Investigator's outcome, her case has been passed to me to decide.

Before deciding any case, I need to be satisfied our service has the authority to consider each issue raised. For reasons I explained in a separate decision, I was satisfied our service couldn't consider Miss B's concerns about the delay in dealing with her court claim. As such, I won't mention that again in this decision.

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.

Can Cabot ask Miss B to repay the outstanding debt?

Miss B complains the debt was irresponsibly lent so Cabot shouldn't be asking her to repay it.

As things stand, I understand an irresponsible lending complaint hasn't been considered. Miss B has said she was delayed in reporting this complaint to N, so she was out of time when doing so. As no successful complaint has been made and in the absence of any other reason for the debt to no longer exist, the debt remains valid and owing.

A Notice of Assignment (NOA) was sent on 4 May 2018. The NOA confirmed the account had been sold to another company, and they'd appointed Cabot as the debt servicer. Typically speaking, this is all that's needed to confirm the account has transferred from one party to another – and to provide authority for a party to collect the debt. So, I'm satisfied it's appropriate for Cabot to ask Miss B to repay the debt.

Have Cabot dealt with Miss B's queries about the default fairly?

Miss B said she's received paperwork to show a default would be registered in 2017, but the only default mentioned is April 2018. And, despite telling Cabot about this, they've refused to remove the default which has impacted a car finance application.

Cabot said they'd checked with N, who said what had happened was correct.

I'd generally expect Cabot to raise this query with the original lender – as it was them who recorded the default in the first place. I can see Cabot did this, and N replied as follows:

"The default notices are issued to advise the customer of our intentions to register a default if (sic) payment is not made however, we do not register a default until accounts reach 180+ delinquent"

There isn't anything obviously wrong in N's response – as generally lenders are required to report a default no earlier than three months, and no later than six months, from the date payments are behind. So, based purely on this response, I can't see any reason for Cabot to have questioned it further.

I've also seen a copy of the default notice from 25 November 2017. This requires Miss B to make a payment of £225.11 by 19 December 2017 – and if payment isn't made, then N *may* take further action. Based on what I've been provided with, it would appear this was the beginning of the default action – rather than the date the default itself was recorded.

In the circumstances, I'm satisfied Cabot did what I'd expect. So, I wouldn't uphold this part of her complaint. If Miss B wants to, and hasn't already, she may be able to complain about the application of the default to N.

As an aside, the default was removed in April 2024 limiting any future impact.

My final decision

For 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 Miss B to accept or reject my decision before 25 July 2025.

Jon Pearce

Ombudsman