

The complaint

Mr K complains that Cabot Credit Management Group Limited (Cabot) have failed make reasonable adjustments to accommodate the way he makes his payments to them.

What happened

Mr K had a loan which in 2011 fell into arrears. The loan account was later sold to a debt purchaser in December 2012. Cabot were appointed to service the account on their behalf.

Mr K has had a payment arrangement in place with Cabot for a number of years and since at least 2014 has been making monthly payments by postal order, without issue. However Cabot didn't receive Mr K's September 2024 payment and so on 7 October 2024, they wrote to him letting him know his payment had been missed. The payment was then received shortly after the letter was sent and on 10 October 2024 wrote to him to thank him for his payment and asked him to call them to reset the payment plan that had been broken. He did this.

On 22 October 2024 Cabot wrote to Mr K again to let him know that postal delays could affect his payments being made on time and suggested he think about paying by direct debit. Mr K didn't want to do this.

No payment was received by Cabot for October and so they wrote to Mr K on 7 November 2024 to advise him of this. Again, Mr C's payment was received shortly after Cabot had written to him. The payment plan was broken by the payment not being received on time and no payment plan has been put back in place although Mr K continued to make payments.

Mr K complained to Cabot, he also made them aware of some of his personal circumstances and said they had failed to take these into account and make reasonable adjustments for him, he was specifically upset that Cabot had suggested he should consider setting up a direct debit, as well as being written to telling him he had missed payments that he had sent.

Cabot didn't uphold Mr K's complaint. But in light of him making them aware of his circumstances they moved his account to their sensitive support team to administer. They also said even though they recommended direct debit as a payment option, if Mr K preferred to continue paying as he was, he could speak to one of their customer consultants so they could understand when he would be posting the payments and set up the plan to allow time for delivery and processing.

Mr K remained unhappy with Cabot's response and so referred his complaint to our service. Our investigator didn't think Cabot had done anything wrong, Mr K disagreed and so the matter 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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. If I've not reflected something that's been said in this decision, 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.

Mr K has said that he has been upset by Cabot's suggestion of setting up a direct debit, instead of paying by his preferred method. I can see that Cabot suggested this in their letter of 22 October 2024 where they let him know about postal delays. There is no suggestion in the letter that Mr K must do this or that he can't continue to make postal payments. Given this, I don't think Cabot did anything wrong when suggesting this. I say that because I think it's clear they were suggesting this as a way to help Mr K make sure his payments reached them in time, especially as his September payment had already been missed and not arrived with them until October. Having said that I do appreciate that it didn't feel like a helpful suggestion to Mr K.

Mr K's other concern is that Cabot haven't taken into account his circumstances and made reasonable adjustments for him and the way he chooses to pay. I don't agree with Mr K on this point. I say that because Cabot haven't said he can't continue to pay by postal order at all, so they are allowing him to pay by his preferred method. In addition, once he made them aware of his personal circumstances they moved his account to the sensitive support team and have offered to tailor his payment plan to allow time for delivery and processing of his payments. So, I can't fairly say they aren't willing to make adjustments for Mr K. But in order for them to be able to complete those adjustments Mr K will need to engage with them again and give them the detail they need around his postal routine.

I understand that receiving the letters saying he had missed payments would have been upsetting to Mr K, as in his mind he had made those payments when he posted the orders to them. But I think if he works with Cabot on setting up a new payment plan with the time allowances in place, this should help to avoid the payments being considered late and Mr K receiving letters about it.

Bringing everything together, I'm satisfied that Cabot have acted fairly when dealing with Mr K about his payment plans and so I won't be asking them to do anything differently.

I appreciate that Mr K will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Cabot – can do for him.

My final decision

For the reasons set out above, my final decision is that I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 September 2025.

Amber Mortimer
Ombudsman