

The complaint

Miss N complains Cabot Credit Management Group Limited have marked her debt with 'refusal to pay' when she has made an offer.

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.

I understand Miss N has three debts which were sold to a debt purchaser (DP). The DP asked Cabot to service the accounts.

Due to her very difficult personal circumstances, which include being very unwell herself as well as being a carer for a family member, Miss N wanted to put a payment arrangement in place. Miss N's payment offer was 1p per month, which Cabot said was a refusal to pay. Miss N found this offensive, so raised a complaint.

Cabot said they hadn't managed to find a solution with Miss N, so marking her accounts as a refusal to pay was technically correct – and they didn't think they'd done anything wrong.

Unhappy with Cabot's response Miss N asked us to look into things.

One of our Investigators did so. He didn't think we could look at Cabot's decision to not accept the 1p per month – but could look at how they'd marked the account. He found the 'refusal to pay' could have been explained more delicately, but the offer wasn't a reasonable amount to pay off the debt. So, overall, he didn't uphold the complaint.

Miss N didn't accept this, saying an offer of 1p per month was still an offer and not a refusal to pay – so the complaint's been passed to me to decide.

Miss N did also originally ask our service to consider a complaint about Cabot refusing to write off her debt on medical grounds. But, our Investigator found she referred that complaint too late – which Miss N accepted. So, I won't comment on that further as it doesn't form part of this complaint.

What I've provisionally 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 are 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.

That means I can consider Cabot's refusal to accept Miss N's 1p per month repayment offer.

Miss N says this is all she can afford – and I am genuinely sorry to hear of her circumstances. While I understand she says this is all she can afford, realistically this isn't going to repay the debt anytime soon. So, I don't think Cabot have acted unfairly in refusing to accept this offer. I'd also suggest it's likely it'd cost more to set up and maintain this agreement than the amount being received each month.

In respect of 'how' Cabot have recorded this, like our Investigator I think it could have been explained more carefully. But, I also think the offer wasn't a reasonable amount to pay off the debt anytime in the near future. Given that, I'm satisfied Cabot haven't acted unfairly by recording this as a refusal to pay on their systems. Ultimately, as no repayment plan is in place, I can't see this is going to make any difference to how Cabot handle things for Miss N anyway.

Responses to my provisional decision

Miss N said while she doesn't agree with the decision, she also can't move forward. She said she has priority debts and her house has an eviction notice if not paid – so she can only afford 1p.

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.

I don't doubt Miss N isn't able to afford more than she's currently offered. But, as she's not provided any comments about the substantive issue I'm deciding on here – how Cabot have recorded things – I remain of the opinion Cabot haven't done anything wrong.

I'd encourage Miss N to engage with Cabot when they get in touch and tell them about her circumstances. I'd expect Cabot to continue to treat Miss N fairly – particularly in respect of placing holds on the account where it's clear Miss N can't make any reasonable repayment offer.

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 N to accept or reject my decision before 2 October 2025.

Jon Pearce
Ombudsman