

The complaint

Mr L complains Cabot Credit Management Group Limited, have, in relation to two debts:

- Failed to provide legally enforceable credit agreements
- Refused to provide Deeds of Assignment
- Treated him unfairly by threatening court action despite failing to provide the legally required documents
- Illegally reported the accounts to the credit reference agencies (CRA)

What happened

There were two credit card accounts with a company I'll refer to as M. These accounts were sold to a debt purchaser, and that debt purchaser asked Cabot to collect the debt.

As I understand it, Cabot have been asking Mr L to make payments towards the debt for some time, and in turn he's been requesting documents for some time.

Mr L complained to Cabot:

- For the legally enforceable credit agreements – Mr L said he asked for a copy of the original properly executed credit agreement under Sections 77/78 (s77 / s78) of the Consumer Credit Act 1974 (CCA 1974). But, Cabot only gave him an electronic copy of the agreement which doesn't contain a signature or meet the statutory requirements for eligibility. Mr L says without this, the debt is unenforceable, but Cabot continue to ask for payment.
- For the DOA – Mr L said he asked for this as legal proof Cabot has the right to collect this debt. But, Cabot said no and the document is confidential, which Mr L says contradicts Section 136 (s136) of The Law of Property Act 1925 (LPA 1925). Mr L says without this, he's got no legal proof Cabot are entitled to collect on the debt.
- For the court action – Mr L says they've threatened this, saying the account is enforceable, even though they've not provided the legally required documents.
- For the CRA reporting – Mr L says despite the debt being unenforceable, Cabot continue to report it to the CRAs which is negatively impacting his credit file.

In response, Cabot said:

- Credit agreements – they've provided these. And no signature is required as per the Electronic Communications Act 2000, and the Electronic Signatures Regulation 2002 as Mr L signed up for the accounts electronically.
- For the DOA – Cabot were satisfied sending Mr L a Notice of Assignment for each of the debts was sufficient to confirm they were entitled to collect the debt.
- Court action – they didn't think any of their letters were threatening, they'd simply explained to Mr L what would happen next if he didn't begin making payments towards the debt.

- CRA reporting – they continued the existing reporting from the original lender, and didn't agree the accounts were unenforceable, so didn't think they'd done anything wrong.

Unhappy with Cabot's answers, Mr L asked us to look into things.

One of our Investigators did so – and she ultimately found Cabot hadn't done anything wrong.

Mr L didn't accept this. In summary he said:

- He doesn't think the NOAs and related materials meet the requirements under CCA 1974, S136 of the LPA 1925, and the Law of Property (Miscellaneous) Provisions Act 1989.
- Under Sections 60-65 and 127(3) of the CCA 1974, pre-April 2007 credit agreements must contain all prescribed terms and our Investigator didn't fully address if Cabot had complied with S77/S78 of the CCA 1974 by providing properly executed agreements.
- The Financial Conduct Authority (FCA) set out in the Consumer Credit Sourcebook (CONC) that Cabot had to act with forbearance, treat him fairly and ensure accurate information is provided. He didn't think Cabot had properly complied with two sections of CONC – specifically CONC 13 and CONC 7.14.
- Cabot have engaged in unfair trading practices by presenting documents that don't meet enforceability standards but implying legal liability – he thinks this may breach Unfair Trading Regulations 2008.
- He's also quoted Section 2 of the Fraud Act 2006 – suggesting Cabot may have knowingly presented defective or unenforceable agreements as valid.
- He's also quoted the Solicitor Regulation Authority which relate to where a legal representative is involved and said this may breach their principles on honesty and integrity.

So, the 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 think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered 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.

Before I get into deciding the outcome of Mr L's case, I think it's helpful to explain how I'm required to decide it. The FCA set this out in the Dispute Resolution (DISP) rules.

DISP 3.6.1 says:

The Ombudsman will determine a complaint by reference to what is, in his opinion, fair and reasonable in all the circumstances of the case.

And DISP 3.6.4 says:

In considering what is fair and reasonable in all the circumstances of the case, the Ombudsman will take into account:

(1)relevant:

(a)law and regulations;

(b)regulators' rules, guidance and standards;

(c)codes of practice; and

(2)(where appropriate) what he considers to have been good industry practice at the relevant time.

As I can see from some of his comments, Mr L is aware I can't make a finding on a legal point. This means I can't decide if a NOA meets the legal requirements as set out in the laws he's quoted. Nor can I decide if the credit agreements have been properly executed or not – as that's a legal analysis. I also can't decide if the debts are legally enforceable or not – as again only the court could do that. My role is to take everything into account but overall reach a fair and reasonable outcome.

I'll address the complaint Mr L initially made to Cabot – and then explain my thoughts about any remaining issues he raised in response to our Investigators outcome.

Failed to provide legally enforceable credit agreements

Mr L says Cabot may not have provided legally enforceable credit agreements. And in response to our Investigator has quoted a lot of different laws.

Cabot say the accounts are enforceable, and they've provided Mr L with all the documents when he's asked for them.

As I set out above, I can't decide if the credit agreements are properly executed or not as that's a legal assessment in relation to whether the account is enforceable or not. So, I won't be commenting on the laws Mr L has quoted in support of his belief the agreements are unenforceable.

From what I can see, Cabot provided the documents to Mr L in a timely manner from when he first asked. These documents have been provided from the original lender M. So, if there is an issue with the documents, Mr L may be able to raise a complaint to M.

Based on what I can see, given I can't decide if the credit agreements would / could be legally enforceable – and because M are responsible for the contents of the credit agreements – I'm satisfied by providing the documents promptly Cabot have done all they needed to on this point. I'm also satisfied this means Cabot have fulfilled the requirements of CONC 13 – and I haven't seen anything to suggest they knowingly misrepresented documents to Mr L.

Refused to provide Deeds of Assignment

I'm aware there are some court cases which other consumers said a consumer is entitled to see the DOA – and there are other court cases which businesses say a consumer isn't entitled to see the DOA.

Mr L believes legally he's entitled to the DOA – and if that were the case then I'd expect all court cases to have reached the same conclusion – which they don't seem to have.

I'd also expect debt purchasers to have sought legal advice on this point as it's one that comes up regularly, and it seems likely to me debt purchasers wouldn't continue to deny their customers access to this document if the law said they were required in every case to provide it.

In addition, the FCA sets out what's expected of financial businesses in the Consumer Credit Sourcebook (CONC) rules. CONC 6.5.2 says:

(1) Where rights of a lender under a regulated credit agreement are assigned to a firm, that firm must arrange for notice of the assignment to be given to the customer:

(a) as soon as reasonably possible; or

(b) if, after the assignment, the arrangements for servicing the credit under the agreement do not change as far as the customer is concerned, on or before the first occasion they do.

[Note: section 82A of CCA]

(2) Paragraph (1) does not apply to an agreement secured on land.

(3) A firm may assign the rights of a lender under a regulated credit agreement to a third party only if:

(a) the third party is a firm; or

(b) where the third party does not require authorisation, the firm has an agreement with the third party which requires the third party to arrange for a notice of assignment in accordance with (1).

If legally debt purchasers had to provide the DOA to their customers, then I'd expect the FCA to have reflected that in CONC – but they don't. Instead, they say a NOA is sufficient to say the debt has been transferred from one party to another.

Given all of the above information, I'm not satisfied Mr L's request for the DOA is one Cabot are required to fulfil. So, I don't require them to provide the DOA to Mr L.

I've noted Mr L's comments about whether the NOA meets the laws he's quoted. As before, I can't decide that. But I've thought about whether the NOA is sufficient in itself.

The FCA doesn't set out any specific guidance about a NOA in CONC 6.5 (which is titled Assignment of Rights) to say what, if anything, should be included. Having looked at the NOAs Mr L was sent, they contain all of the information I'd expect – such as who now owns the debts, how much is owed, and who to get in touch with, amongst other information. In the circumstances, I'm satisfied on a fair and reasonable basis the NOA fulfils its purpose of confirming to someone their debt has been transferred to another party. And I'm satisfied it's sufficient for Cabot to rely on this when contacting Mr L for repayment of the debt.

Treated him unfairly by threatening court action despite failing to provide the legally required documents

Mr L says Cabot have threatened court action despite not providing the legally required documents – and he thinks this is unfair.

Cabot say their documents only explained the potential next steps to him if he didn't contact them and start repaying the debts they said he owed.

Given Mr L has linked the unfairness of the court action to failing to provide the legally required documents, I can't reasonably say they've done anything wrong on this point.

I say that because the letters telling Mr L the next steps may be passing the accounts over to Cabot's solicitors is something Cabot can do if they'd like to. This issue is based on Mr L's

firm belief the account is unenforceable. But, I can't decide that as I've said, and I can't see that Cabot have treated the account as unenforceable for any period of time. So, because of that, I don't think I can fairly say Cabot have done anything wrong.

Illegally reported the accounts to the CRAs

Mr L again links this to his accounts being unenforceable so doesn't think Cabot are allowed to continue reporting while that's going on.

Cabot have said M applied the defaults not them, so if Mr L had concerns then he could raise it with them.

I haven't seen Cabot say the accounts were unenforceable for any length of time – given that I can't fairly say they've treated Mr L unfairly for continuing to report to the CRAs.

Other issues

In the above sections I've covered the majority of Mr L's concerns – either directly or indirectly. The one remaining issue is Mr L says Cabot haven't followed CONC 7.14 and he's referred to disputed debt. CONC 7.14 covers settlements, deadlocked debt and disputed debts. I've assumed he's primarily focused on 7.14.1 which says:

A firm must suspend any steps it takes or its agent takes in the recovery of a debt from a customer where the customer disputes the debt on valid grounds or what may be valid grounds.

I've also reviewed the remaining sections of CONC 7.14 which relate to disputed debt. Overall, I can't agree Cabot haven't treated Mr L fairly on this point.

The key reason I say that is because Mr L was regularly disputing the debt on the basis the DOA hadn't been provided. I've already found that Cabot didn't do anything wrong by not providing this. In the history of the relationship between Mr L and Cabot, I can see he's raised a number of disputes over the DOA, but received the same answer from Cabot each time. On that basis, it could be difficult to accept Mr L's later attempts to dispute the debt – on the same grounds as he had previously – as valid disputes. Regardless though, I've seen nothing to suggest Cabot treated Mr L unfairly. I'm also satisfied Cabot have sufficient information to reasonably believe they're asking the correct person to pay the debts. Whether they are Mr L's or not isn't something I need to decide – and if he believes these debts aren't his, then he may want to raise a dispute with M.

My final decision

For all 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 Mr L to accept or reject my decision before 9 December 2025.

Jon Pearce
Ombudsman