

The complaint

Mr B complains Cabot Credit Management Group Limited haven't written off his debt despite his personal circumstances.

What happened

Mr B says despite knowing about his personal circumstances, Cabot haven't written off his debt explaining it's because of business considerations. Mr B says this goes against the Financial Conduct Authority's (FCA) Consumer Duty guidance, and against the Equality Act 2010.

The information I have shows Mr B contacted Cabot on 21 March 2025 asking for support from Cabot's Sensitive Support Team (SST). Mr B provided details of his personal circumstances when doing so and said Cabot knew about these since 2023.

Cabot asked Mr B to complete an income and expenditure (I&E) form. This form is designed to objectively determine what, if any, disposable income a consumer may have. Mr B completed it with the support of a debt counselling company.

Following this Cabot let Mr B know it'd take up to eight weeks to provide an answer on whether they'd write off his accounts. Mr B contacted Cabot on several occasions asking for the review to be prioritised. Cabot reiterated the eight-week timescale each time to Mr B. He continued to contact Cabot, and ultimately they treated his contact as a complaint.

For Mr B's privacy, I won't be listing out what his specific circumstances are. That's because we're required to anonymise our decisions as they're published on our website – so I need to ensure Mr B can't be identified from his circumstances which he's described as unique.

On 29 May 2025 Cabot provided their answer to Mr B's complaint. They said before Mr B's contact on 21 March 2025 they weren't aware of his circumstances but were very sorry to hear of them. They said they'd considered his write off request, but in the long-term circumstances can improve. Cabot said they take into account their customers situation and history of the account. But, they may also review other factors such as potential home ownership, employment status, and credit reporting. Overall, Cabot didn't think they'd done anything wrong in how they'd communicated with Mr B or in saying they wouldn't write his debt off.

This response was sent by post to an address Mr B no longer lived at, so he contacted Cabot about this too.

Cabot issued a second response, this time correctly by email, to say sorry and offered to pay Mr B £50 compensation.

Unhappy with Cabot's responses, Mr B asked us to look into things.

One of our Investigators did so, but didn't think Cabot had done anything wrong in not writing off the debt – and thought the £50 for the letter being posted instead of emailed was fair.

Mr B asked for an Ombudsman to consider things. He didn't explicitly say why he disagreed with what our Investigator had said but reiterated his wider circumstances and concerns.

In line with our standard processes, the complaint's been passed to me to decide. I've also picked up Mr B's complaint he's made to S, and another of his complaints. And, although I'm aware Mr B wanted all complaints dealt with at the same time, for reasons I'll go on to explain I'm satisfied it was appropriate to decide this case at this point.

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 deciding the outcome of this complaint, I wanted to talk about some of the concerns Mr B has raised about the way his complaints have been addressed by our service.

Mr B has expressed on a number of occasions that he wanted 'one' complaint set up. This one complaint was to cover all of his concerns against different financial businesses.

I can see Mr B's logic, which is he says the issues all flow from another company – a debt counselling service – providing incorrect / incomplete information to various parties. I can also see Mr B's concern about consistency – where he's referred to other companies choosing to write off debts and remove credit reporting. While Cabot, S and other companies Mr B has complained about haven't.

While I do understand where Mr B is coming from, our service was set up to address one complaint against one financial business. I can't issue an outcome against multiple financial businesses in one outcome. It's not that we won't do that – it's that the way our entire organisation was set up means we simply can't. So, I have to issue an outcome for each financial business – and, each outcome must be a standalone document. This means Mr B will see some identical or similar wording across the complaints I've addressed for him.

That said, I can take into account any information I consider to be relevant for each of the individual complaints Mr B has registered. From all of his submissions, I can see his main concern is that the debt servicer's actions wouldn't be properly considered when deciding the outcomes of each case.

I also wanted to explain that although some of Mr B's lenders have chosen to write off debts he had with them, that doesn't mean every lender is required to. I'm also not satisfied it does create an unfairness in Mr B's situation. I say that because different creditors can hold different thresholds for deciding whether to write off debts. I've seen from his submissions Mr B is aware there is no requirement for debts to be written off in anything he's referred to. That means it's effectively down to each creditor to decide if and when they might write a debt off. And, if they choose not to, whether they've chosen not to do so in a fair and consistent way in line with their own processes. I can't comment on Mr B's wider concerns about systemic unfairness, as my powers are limited to reviewing individual complaints.

In respect of Mr B's complaint against Cabot, he's asked them to write off his debt. In doing so, he's referred to the Equality Act 2010, FCA's guidance on how businesses need to treat vulnerable customers, as well as the FCA's Consumer Duty guidance.

As I can see Mr B knows, I can't make a legal finding that Cabot has breached the Equality Act nor can I say he's been discriminated against. But, I can take relevant law and regulations into account when deciding if Mr B has been treated fairly and reasonably by Cabot.

Taking all of that into account, I've gone on to consider whether I think Cabot have responded fairly to Mr B's request for writing off the debt, and his concerns about how they've communicated with him.

I'm aware Mr B has provided reasons why he thinks some of his personal circumstances aren't ones Cabot should be taking into account – such as his employment status, property ownership status and the information from the I&E he completed with the debt counselling company.

Given there are no rules about whether a business has to write off a debt, that also means there are no specific rules about what Cabot can or can't take into account.

Objectively, I don't think there is anything wrong with Cabot taking into account all of the above information. Mr B's employment status is relevant to his current and possible future income. Owning a house, as Mr B does, is an indication that Cabot could potentially seek to obtain a charging order against the property for repayment of the debt at some point in the future if they wanted to. And the figure of £226 showing as available on the I&E strongly suggests Mr B could afford to make payments towards these debts despite his personal circumstances.

I'm aware Mr B disputes all of this – and says the only reason for this incorrect information is due to the debt counselling company. Mr B set out the income he earns from his employment status – income which seems to be below the current standard Personal Allowance tax threshold. Mr B says this isn't going to improve in the future given his vocation. In terms of his property he's only got an interest free mortgage on it, so any rent covers the costs of that and leaves him nothing else. Finally, Mr B says he's explained the I&E is wrong showing he has £226 a month left over – he actually has nothing.

Cabot haven't actually said they relied on the I&E – so I'm not persuaded this shows they've not assessed his circumstances fairly. And I think in general terms home ownership is not an unreasonable reason for a debt company to say they won't write a debt off. I realise Mr B's circumstances are such that he doesn't think he'll ever be able to pay anything back – but given everything I've seen I can see why Cabot think it's possible in the longer-term Mr B's circumstances could change to the point he may be able to repay the debts.

I've also seen Mr B talk about Consumer Duty requiring Cabot to avoid causing foreseeable harm – and he says debts link back to his personal circumstances. So, the wider context needs to be taken into account.

While I understand Mr B's point regarding the Duty, I'm afraid I can't agree that, because of the Duty, it'd then be fair for the debt to be written off. I say that because I don't think Cabot are treating Mr B unfairly by asking him to repay debts he doesn't dispute taking out. I can't know how Mr B's circumstances influences his feelings about these outstanding debts – but I also can't say because of this it means Cabot are treating him unfairly.

I've also thought about the FCA's guidance on dealing with vulnerable customers. Mr B has referring to the guidance – but not, as far as I can see, any specific parts of it which he says means Cabot aren't acting fairly.

In general, I'd expect Cabot to provide clear and prompt responses to Mr B's contact. The majority of the time that's what I've seen. I know Mr B said Cabot knew about his vulnerabilities in 2023 but I've not seen anything to show that. All the evidence I have is the first time he got in touch with them was 21 March 2025.

After doing so, Cabot immediately passed his contacts over to the SST. I can see Mr B asked for confirmation of this, but he received an email from them asking him for further information. So, his contact was passed over to their vulnerable customer team promptly.

I do think an eight week timeframe to assess whether to write someone's debts off is a long time. So I can see why Mr B was pushing Cabot to provide an answer earlier. But, in thinking about any detriment here, I can't say there has been any. Again, I come back to Cabot not being required to write off the debt anyway – and given they ultimately didn't agree to I think Mr B would have ended up in the same position anyway.

Overall, I'm not satisfied Cabot are required to write off Mr B's debt, or have otherwise treated him unfairly. And although I can't make a finding on the Equality Act as Mr B knows, overall I do think they've treated him in the same way I'd expect them to treat someone with the same or similar circumstances Mr B has.

Finally, my understanding of why Mr B wanted all of his complaints considered together is because he says the information from the debt counselling company has influenced Cabot, S and other parties. Whether it has or hasn't I don't know. But, I've independently assessed everything Mr B has said Cabot got wrong, and haven't found any grounds to reasonably uphold the complaint. If the debt counselling company have made mistakes which has had a wider impact, then that'll be addressed in that complaint – but I've not seen any of that impact in this complaint against Cabot.

If Mr B has any concerns that the original lender never should have granted lending for the debt Cabot is asking him to repay, then he could complain to them.

My final decision

I can't uphold this complaint for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 January 2026.

Jon Pearce

Ombudsman