

complaint

Mr W complains that Cabot Credit Management Group Limited (the business) is attempting to collect payments from him on a debt he believes has been settled.

background

Mr W opened a credit card account in 2008. This account was closed in December 2010 and a default recorded as Mr W had not maintained the required payments. Mr W says that he believes the account has been settled as there is no longer an entry on his credit file in regard to this account.

The business says that the previous debt owner recorded a default on Mr W's credit file in December 2010. It says that it continued to report on the account to the credit reference agencies up to the point when six years had passed, that is December 2016. It says that although the default is no longer recorded on Mr W's credit file this does not mean that the balance is no longer owed.

Our investigator did not uphold this complaint. She said that there was still a balance outstanding on Mr W's account and that the business was not doing anything wrong by trying to collect payments.

Mr W did not accept our investigator's view.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr W opened a credit card with a credit provider in 2008. I understand that Mr W did not make his minimum monthly payments and so the account was terminated and a default recorded. The business was assigned this debt in 2015. At this time the default had been on Mr W's credit file for less than six years and so the business continued to report the status of the account to the credit reference agencies. Once six years had passed the default was removed from Mr W's credit file. I do not find anything to suggest that the business did anything wrong in regard to the reporting of Mr W's account.

Mr W says that he believed the account had been settled. I have not seen anything to support this. I have seen a statement from the account which shows monthly payments of £5 were being made and that these were being transferred to the business and used to reduce the outstanding balance on Mr W's account. These payments suggest that Mr W was aware of the debt and was making payments towards it.

Although the default was removed from Mr W's credit file after six years, his payments had not cleared the balance outstanding on his debt. As the owners of the debt the business attempted to contact Mr W about the payments.

Based on the evidence I have seen I do not find that I have anything to show the account has been settled and so I do not find that the business did anything wrong by contacting Mr W about payments. As Mr W's debt is now owned by the business, he should contact it directly to discuss his repayment options.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 January 2018.

Jane Archer
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