

complaint

Mr and Mrs R complain that Cabot Financial (UK) Limited is chasing them for money they don't owe.

background

Mr and Mrs R were repaying debts via a debt management company. But they ended the arrangement, because it cost too much. Mr and Mrs R didn't realise that the plan included payments to Cabot. So those payments stopped when the plan was cancelled and Cabot contacted them direct. Mr and Mrs R say Cabot isn't entitled to be paid - so it's harassment to continue to pursue them.

Cabot says it bought the debts from a third party bank – and they consist of money owed on a credit card (in Mrs R's sole name) and a joint account. And it informed Mr and Mrs R about that, and hasn't made a mistake in seeking to recover the money.

Our adjudicator says she's satisfied the debts were properly transferred to Cabot. So it's the legal owner of them now and entitled to take steps to have the money repaid. She wasn't persuaded that Cabot's contact with Mr and Mrs R had been excessive. And she couldn't recommend that this complaint should be upheld.

Mr and Mrs R disagree. They consider Cabot is harassing them to pay money they have already repaid.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have reached the same conclusions as our adjudicator for much the same reasons.

I can see that Mr and Mrs R have experienced some difficult personal circumstances and I am sorry to hear of their recent bereavement. I understand that they have found it frustrating and very upsetting to be chased for debts they believe they paid off some time ago.

Cabot says it was being repaid via Mr and Mrs R's debt management plan. So it had to contact Mr and Mrs R direct, when that arrangement ended. Mr and Mrs R say they didn't know the debt management company was making payments to Cabot. And they no longer owe the original lender any money, so they shouldn't have to deal with Cabot now.

The original lender has provided statements for both accounts. I'm satisfied these show outstanding balances. I consider these debts were properly transferred to Cabot. And, having reviewed statements from the debt management plan, I am not persuaded these debts were paid off. So I'm satisfied it wasn't wrong of Cabot to contact Mr and Mrs R to ask for payment.

I have reviewed the correspondence Cabot sent. I'm satisfied it explains which debts are outstanding – and suggests Mr and Mrs R should make contact to discuss their situation. It also indicates that free sources of debt advice are available. And, in the circumstances overall, I'm not persuaded there are any grounds on which I can fairly find Cabot harassed or otherwise treated Mr and Mrs R unreasonably.

I realise this decision is likely to disappoint Mr and Mrs R but, for the reasons I have given, I can't fairly uphold this complaint. I urge them to contact Cabot as soon as possible to agree the best way forward. If Mr and Mrs R are in financial difficulties then Cabot is obliged to treat them sympathetically and positively. And I would encourage them to consult with a free independent debt counselling organisation (such as Step Change 0800 138 1111) for advice.

Mr and Mrs R have indicated to our adjudicator that they are unhappy with the actions of their original lender - and the debt management company. They may wish to pursue their concerns with those businesses. And, if they are dissatisfied with the responses, they may refer complaints to this service for consideration.

my final decision

My decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs R to accept or reject my decision before 10 April 2015.

Claire Jackson
ombudsman