

complaint

Mr B complains that Cabot Financial (Europe) Limited did not provide him with correct information about his debt which it had purchased from a third party.

background

Mr B received a letter from the agent of the third party to say that the third party had transferred a debt he owed it to Cabot Financial. For the purpose of this decision this debt will be referred to as "Debt 1". The third party quoted the reference number for Debt 1 and the amount outstanding. Cabot Financial also wrote to Mr B to confirm this and to tell him how to make payments in future. Mr B says he has not received clear information about Debt 1 as he had been told by the third party that he still has a debt with it.

The adjudicator did not recommend that the complaint should be upheld. She said that Cabot Financial had not given Mr B incorrect information. It had bought Debt 1 and had told Mr B how to continue to make payments. It had told Mr B the original lender for Debt 1 as the third party had itself bought Debt 1. Mr B had been making payments of £37 to the third party and had then made direct payments of £40 to Cabot Financial suggesting that he knew how to make payments.

Mr B did not agree and said, in summary, that the information quoted by the adjudicator was incorrect. He said he had been told he still had an account with the third party and that he had been paying £40 per month to this and not £37. He says he has never paid the third party £37 a month and that he has a payment book with a different payee. He says that after he made the payments to Cabot Financial the third party told him he was in arrears and so he stopped making payments to Cabot Financial and started paying the third party again.

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 accept that the circumstances surrounding this complaint appear confusing. I need to decide whether Cabot Financial has made an error but before I do this I set out below further relevant background.

It appears that the third party had been using another agent to collect the payments on its behalf for Debt 1 and the name of this agent was shown on a book of bank giro credits. Mr B had been paying £37 per month using the paying in book. Mr B also had a debt ("Debt 2") to the third party and had been paying £40 per month to this. So for example in February 2013 Mr B paid £37 to Debt 1 and £40 to Debt 2.

I can see from the statements on both Debt 1 and Debt 2 that in June and July 2013 Mr B did not make the payments of £40 to Debt 2 but instead paid £40 directly to Cabot Financial.

It appears that he thought that Cabot Financial had purchased Debt 2. I can see that as he had two debts with similar repayment amounts there was the potential for confusion. The third party had itself bought both debts from the original lenders and was using different agents to help it collect the debts. But, I need to look specifically at the actions of Cabot Financial to see whether it did anything wrong.

It sent a letter to Mr B telling him correctly that it had bought Debt 1 from the third party. It told him how much was outstanding and how he could make repayments and quoted both its reference number and the account number at the third party. As Mr B continued to make payments to the agent of the third party these were sent on to Cabot Financial and then Mr B made the direct payments referred to above. When Mr B questioned the origin of Debt 1 it identified the original lender and it asked Mr B to clarify who he thought he had been making payments of £37 per month to. There was no reason for Cabot Financial to be aware of the arrangements regarding Debt 2 or of the agents the third party had at times used to collect Debt 1. I find that it acted fairly and note that it told Mr B in November 2013 that his account was on hold while it attempted to resolve the matter.

I appreciate Mr B will be very disappointed by my decision.

my final decision

In light of the above my decision is that I do not uphold this complaint.

Michael Crewe
ombudsman