

complaint

Mr C complains that Cabot Credit Management Group Limited obtained a County Court Judgement (CCJ) against him before he had a chance to set up a payment plan.

background

Mr C had a credit card debt which Cabot bought in September 2015. Cabot wrote to him to let him know and asked that he contact them to set up a payment plan. They tried to contact him in writing and by phone on a number of occasions but were unsuccessful, so they instructed their solicitors to try to collect the debt. The solicitors wrote to Mr C on 18 January 2016 asking for contact or they would proceed with legal action against him. They said that Cabot *"may be prepared to accept payment by instalments. If this is your preferred option, please complete the enclosed questionnaire...by 1 February 2016."*

Mr C tried to call the solicitors several times and was promised calls back. But as Mr C couldn't take calls at work, the call back attempts were unsuccessful. Mr C made a payment of £30 on 30 January 2016 via an automated system. But as no further contact was made with the solicitors, they issued legal proceedings on 12 February 2016.

Again Mr C attempted to phone and calls back made but with no success. On 23 February 2016, the solicitors received Mr C's admission form from the courts. As Mr C had admitted the debt, the court issued a CCJ against him and ordered payments of £50 per month – in line with his offer on the admission form. As no payments were received, the solicitors applied for an attachment of earnings, but the court decided it was unaffordable.

The solicitors continued to manage the debt until they returned it to Cabot in March 2017. In January and February 2018, Cabot wrote to Mr C again about the debt but received no response, so they began to look for a new contact address. In July 2018 Mr C complained to the solicitors about the CCJ. The solicitors issued their final response in August 2018 and stood by their actions.

Mr C remained unhappy so referred his complaint to us and one of our investigators looked into it. She said Mr C had been given the opportunity to reach an agreement with Cabot before the debt was passed to the solicitors. And once the debt was with solicitors, they had tried to return his calls but were unsuccessful. The solicitors had given Mr C the option to set up an instalment plan using the questionnaire attached to their letter of 18 January 2016, but that wasn't done. She acknowledged Mr C had made a payment of £30 but said there was no indication this was to be an ongoing arrangement. Our investigator said Mr C had used his new address on court papers in September 2016 and Cabot could have updated his details at that point. But she said it was still Mr C's responsibility to ensure his creditors had correct contact details for him.

Overall, she said Cabot hadn't treated Mr C unfairly. Mr C didn't agree and said he didn't receive the questionnaire or he'd have completed it. As there was no agreement, the complaint has been passed to me for a final decision.

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 C has accepted that he's liable for the debt. The CCJ was applied by the court after receipt of his admission form so I can't consider that. But I can look into whether Cabot treated Mr C fairly in the lead up to that.

I've seen copies of numerous letters to Mr C from Cabot and their solicitors. These include a letter from Cabot dated 14 October 2015 which explained they'd bought the debt and were seeking repayment. Further letters were sent on 26 November 2015 and 24 December 2015. The December letter said as there had been no contact, Mr C's account had been "*selected for possible legal action...*". It went on to say their "*typical approach would be to appoint a solicitor...and then to make an application for a County Court Judgement*". I've seen nothing to suggest Mr C contacted Cabot to discuss repayment following any of the letters they sent.

On 18 January 2016, Cabot's solicitor wrote to Mr C. They explained that they'd been asked to recover the debt by 1 February 2016. As quoted earlier in this letter, they said Cabot may be prepared to accept instalments and referred to an enclosed questionnaire to arrange that. Mr C has acknowledged that he received the letter but says he didn't receive the questionnaire. On balance I think it's more likely than not that the questionnaire was sent with the letter because it's referred to in it.

There's no dispute that following receipt of the solicitors' letter, Mr C tried to contact them to discuss the debt. And I've seen that the solicitors tried to return his calls. But as this was unsuccessful, no agreement was reached regarding a way forward. So the solicitors applied to the court for a judgement on 12 February 2016 on behalf of Cabot. I don't think the solicitors were wrong to do so. They received Mr C's admission of the debt from the court on 23 February 2016. In the admission, Mr C agreed he was liable for the debt and made an offer to pay £50 per month, but no payments were made.

Overall, I think Cabot has treated Mr C fairly. They ensured he was aware of the debt and asked for his proposals to repay it before passing it to their solicitors. The solicitors then gave Mr C further chances to reach agreement but as none was reached they applied to the court for judgement. The court decided to apply the judgement.

my final decision

My final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 January 2020.

Richard Hale
ombudsman