

complaint

Mr L has complained Cabot Credit Management Group Limited, trading as Cabot Financial (Europe) Limited, is pursuing him for debts which he doesn't owe. He's also concerned he's in no position to pay this money.

background

For a few years Mr L had been making three payments of £1 a month to Cabot (CCMG). He asked CCMG to show him these debts were his. He wanted evidence of the original credit agreements, how the debts had been built up and the payments he'd been making towards them. He didn't feel he was able to make further payments. He was no longer employed and he'd been having severe physical and mental health issues.

CCMG didn't feel there was any doubt they were now the legal owner of these debts which they'd bought from two credit card companies in 2014 and 2015. One of the credit card companies had now bought back their two debts. This decision is only concerned with the one credit card debt still held by CCMG. This stood at just over £3,425 in November 2017.

Mr L was becoming increasingly stressed by letters he was getting from CCMG as he'd stopped making any further payments. He'd already made it clear he wasn't able to speak to them by phone. Yet the letters he was receiving continued to ask him to phone them to discuss payment arrangements.

Mr L brought his complaint to the ombudsman service. He particularly wanted evidence this debt was his. Our investigator reviewed the evidence, which included copies of statements for the period when Mr L was using this credit card along with a copy of the original credit agreement. He could see Mr L had a history of making regular payments to this account so felt there was no doubt this was Mr L's debt. And from what he could see the amount CCMG were collecting was also correct.

Our investigator didn't think it was unreasonable for CCMG to ask for additional evidence of Mr L's income and expenditure, as well as something that may show his state of health. He wasn't going to ask them to do anything further.

Mr L didn't agree with this outcome nor did he feel all his questions had been properly answered. His complaint was passed to an ombudsman to make 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. And taking everything into consideration, I've reached the same outcome as our investigator. I'll explain why.

I can see Mr L has specifically asked me to address all the issues he's raised. I apologise in advance for not doing this. Instead I've concentrated on the main issues. I'd add I've very carefully considered all Mr L's communication to us on his complaint.

has CCMG provided Mr L with the details he needs?

Mr L made a subject access request to CCMG. They agreed to waive the £10 fee that used to apply to these as they were conscious, by that time, of Mr L's diverse needs. From the

evidence I've seen I'm sure he's now got the information CCMG holds about this credit card debt.

does Mr L owe money to CCMG?

CCMG provided evidence of the credit agreement along with statements when Mr L was still using the credit card. Mr L has been regularly repaying this debt since 2010 – firstly to the original credit card company and latterly CCMG. CCMG provided a statement showing the payments Mr L has been making to them since 2015. They've also shown they bought this debt from the original owner.

I'm satisfied the evidence shows Mr L owes this money to CCMG who now own this debt.

what's now the right approach?

I have been in touch with CCMG to discuss my concerns about whether Mr L will be able to repay this debt. He's currently not in work and has been receiving medical treatment. Mr L gave us evidence about the medicines he's taking.

Firstly CCMG is aware Mr L is not in good health and may, certainly in the medium-term, not be returning to work. They've made sure his debt has been passed to their support team with experience of helping people with diverse needs.

I asked CCMG to consider writing off the debt as this would undoubtedly help Mr L put his health on a more even keel. It may also help relieve the more immediate stress of trying to repay a debt. They were unwilling to do this. They didn't have enough evidence about Mr L's longer term health prognosis.

CCMG has shared with me the best practice they feel is appropriate for collecting a debt from someone who may be in financial hardship and have health issues. It's certainly normal for businesses to ask customers to provide them with evidence of their income and expenditure. And we agree with businesses being able to ask for this evidence. Mr L is currently receiving just over £70 a week in benefits and that's his sole income. He's told us all of this income is committed and he can't afford any further payments to CCMG. I don't doubt this but can understand why CCMG want further evidence.

This further evidence could be as simple as a letter from Mr L's doctor confirming his current health and what may happen longer-term. Normally I wouldn't expect a doctor to ask for payment for this simple letter. But Mr L has told us his doctor will only provide a medical report after payment from CCMG. I'm confident – because CCMG's confirmed this – they would pay for this on receipt of an invoice. But obviously they can't contact Mr L's doctor without Mr L's clear consent. Nor would his doctor be prepared to share any details with CCMG without Mr L's clear authority. Only Mr L can act as this bridge. I leave it to him to decide whether he's willing to do this.

I've thought about this complaint carefully. I don't really believe there's anything to show Mr L is currently in a position to pay what he owes. But I don't believe CCMG is acting unfairly in asking Mr L to provide them with more evidence. They're acting in line with current industry practice. I suspect once they've considered any further evidence he's able to give them, they can consider what options are right for his situation. This could include pausing any demand for payment until Mr L's health or financial situation improves. There are other options which they may be open to offering Mr L.

In the meantime I won't be asking them to take any further action. If CCMG is to ask Mr L for payment, they'll be aware of their obligations to treat him sympathetically and positively.

my final decision

For the reasons I've given, my final decision is not to uphold Mr L's complaint against Cabot Credit Management Group Limited, trading as Cabot Financial (Europe) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 22 June 2018.

Sandra Quinn
ombudsman