

complaint

Mrs B complains about a County Court Judgement (CCJ) and a charging order that Cabot Credit Management Group Limited (CCMG) has obtained in relation to a personal loan debt.

background

Mrs B had a personal loan debt with a third party lender "B" that defaulted. In 2011, B sold the debt to a company which later became a part of CCMG who currently own the debt.

Although Mrs B had repaid some of the outstanding balance and was taking steps to try and repay the remaining balance, in 2014 a CCJ and charging order was obtained against her. Mrs B complained about the way CCMG handled the collection of this debt. CCMG didn't agree it had done anything wrong.

Mrs B went on to ask this service to look at her complaint but the investigator didn't think CCMG had made an error. Our investigator explained that in some instances CCMG needed to obtain information from B which caused delays and this wasn't within their control. He says that CCMG did reduce Mrs B's debt correctly (when she obtained a PPI refund) and that it didn't request Mrs B to pay any additional amounts. As Mrs B didn't agree, the complaint's been passed to me to decide. To resolve Mrs B's complaint, she wants the CCJ and charging order removed and compensation for the distress this matter has caused her.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. My role is to decide what, if anything, CCMG has done wrong in relation to collecting this debt.

Mrs B received a payment protection insurance refund on this loan from B in 2012. She says CCMG didn't adjust her balance to reflect this refund. But I can see that they did in 2013 - as soon as they received confirmation from B to do so. So I'd like to assure Mrs B that this appears to have been done correctly.

Mrs B says she had been meeting the agreed reduced monthly repayment of £1. She says that CCMG applied for a CCJ because some of these payments may have gone unnoticed due to her account being moved around. CCMG say that they did receive her payment of £1 per month, but it still made a decision to apply for a CCJ and a subsequent charging order because it would've taken Mrs B over ten years to clear the debt.

Given the size of the debt, the low repayment amount meant it would've taken a significant length of time for Mrs B to clear the debt. So I don't think it was unreasonable for CCMG to seek a CCJ at that point to secure payment. And they were within their rights to do so.

Mrs B says the charging order shows that she had made no payment instalments. I've had a look at the charging order and I'm satisfied that it doesn't show that Mrs B hasn't made any payments but instead says she has met all her repayments as decided in the CCJ at that point.

Mrs B wants the CCJ and charging order removed as she doesn't think it should've been ordered. I'm limited in what I can look at here as I'm unable to decide on matters that have already been decided upon by a court of law.

A CCJ is a judgement by a court, where the court formally decides that one party owes money to the other. So in Mrs B's case, a court has decided in 2014 that she owes money to CCMG, and would have subsequently decided that a charging order in CCMG's favour should be made against her property. Because a court has decided this, only a court can 'set aside' (overturn) this.

Mrs B has concerns about CCMG selling on her account and its compliance with the Data Protection Act. The way CCMG operate its business isn't something we would get involved in as that's the role of its regulator. We can't tell CCMG how to change its processes, but this service is designed to resolve problems in individual cases to see if it has acted fairly and reasonably. In this case, I think it has.

my final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 27 December 2018.

Asia Khanam
ombudsman