

Complaint

Mrs I complains that Cabot Credit Management Group Limited (trading as Cabot Financial) is pursuing her for a debt which it hasn't provided sufficient evidence of. She wants the debt to be written off.

Background

Mrs I, represented by a third party, says that Cabot Financial is unfairly chasing her for the repayment of a debt. She says that Cabot Financial isn't entitled to the payment requested. Her representative requested various documents regarding the debt and Cabot Financial's rights to the repayment but says these haven't been provided. Specifically they say Mrs I hasn't been provided with a copy of the executed credit agreement and hasn't been sent a satisfactory statement of account showing the situation before Cabot Financial took over her account. Mrs I's representative says that Cabot Financial didn't carry out sufficient due diligence before acquiring the debt to ensure the amounts due were correct and it doesn't believe the debt is enforceable. It says Mrs I's credit file should be updated to show the loan is unenforceable.

Mrs I also says that when the loan was made she was in a vulnerable position and that inadequate assessments were carried out to ensure the affordability of the loan. She feels the actions taken by Cabot Financial in regard to pursuing the debts have been aggressive and is concerned that additional charges have been applied.

Cabot Financial says that it acquired two debts relating to Mrs I, one in relation to a current account which was acquired in 2012, and the other in relation to a loan which it acquired in 2013. It says that Mrs I was provided with notices of assignments in regard to the accounts. It says that it accepts the debts aren't legally enforceable due to it not being able to provide the requested information but says this doesn't mean the debts don't exist nor that Mrs I is no longer responsible for the repayments.

Cabot Financial says that Mrs I had acknowledged the debts by making the payments based on the balances assigned to it. It says it was assigned the right to collect the outstanding amounts but didn't assume any responsibility or liability regarding the original lending. It says it hasn't tried to enforce the debts and has collected the repayments informally and didn't accept it had put Mrs I under any undue pressure.

Our investigator didn't uphold this complaint. He explained that our service couldn't say if a debt was legally enforceable and could only comment on whether it was fair for Cabot Financial to pursue Mrs I for the debt. He said that Mrs I had acknowledged the debt and he didn't think that Cabot Financial had done anything wrong by contacting her about this. He also didn't think it had been aggressive in its approach. He noted that Cabot Financial had offered the contact details for a number of different debt charities and advice services.

Our investigator said that Cabot had acquired the debt from another company and wasn't party to the initial lending decision. He said Mrs I would need to complain to the original debt provider if she wished to claim that the loan was provided irresponsibly. He said that Cabot financial hadn't added additional charges to Mrs I's account.

Mrs I didn't accept our investigator's view.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As our investigator has already explained, it is not our role to say whether or not a debt is legally enforceable, only a court can do this. I also note that Cabot Financial has said that the debts aren't enforceable.

Therefore I have considered whether the Cabot Financial has acted fairly since it acquired Mrs I's accounts. In regard to contacting Mrs I, I do not find that it was unreasonable that Cabot Financial did this. It acquired her accounts as part of a larger transaction and provided Mrs I with the notice of assignments. Mrs I made payments in regard to the accounts and so I do not find that it was unreasonable for Cabot Financial to consider Mrs I to be aware of the debts and accepting of the amounts due.

I have looked through the information provided and based on what I have seen, Cabot Financial hasn't made any telephone calls to Mrs I in regard to the accounts and letters have been sent in regard to the current account. The volume of these hasn't been excessive and I find the content reasonable. The letters provide information about the account and how to get in touch if she has issues with payment. They also provided information about debt charities and advise services. I understand that Cabot Financial hasn't added charges to the accounts.

In regard to the original lending, Cabot Financial didn't make the lending decision and so I cannot hold it responsible for any issues regarding this.

Given the evidence provided, I do not find that I have enough to uphold this complaint. As explained I have considered the actions taken by Cabot Financial in regard to its management of Mrs I's accounts and cannot comment on the enforceability of the debts.

My final decision

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 I to accept or reject my decision before 11 April 2020.

Jane Archer
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