

## **complaint**

Miss R complains that Cabot Credit Management Group Limited ("Cabot") are not writing off a debt she has with them despite her suffering from an incurable illness and experiencing significant financial distress. She also complains that the business has ignored her request to only communicate in writing.

## **background**

Miss R says that she's been in extreme financial difficulty for ten years. She's not working as she has a serious illnesses from which she won't recover.

She's explained that she's been making token payments to her debt for many years and that she's provided Cabot with evidence that she has no income to pay her priority debts and can therefore not afford repayments to this one. She doesn't feel that Cabot has taken her disability into account when refusing to write off her debt and she's upset that despite asking Cabot to only communicate in writing they have sent her letters asking her to call them. She says that this is further evidence that Cabot is ignoring her disability.

Cabot said that they hadn't been provided with information to demonstrate that Miss R's medical condition affected her ability to make payments or manage her finances. They explained that they had asked for medical information but hadn't yet received it and when our service provided this evidence it didn't change their view.

So Miss R referred her complaint to this service and our investigator took a look. She understood that Miss R was unwell but she explained that didn't automatically mean she'd expect the business to write off the debt. And she went on to explain that whilst she understood Miss R was currently unable to pay the debt she had not been provided with evidence to suggest she wouldn't be able to at some time in the future. So she didn't think it would be fair to insist Cabot wrote off the debt but she did talk to them on Miss R's behalf.

They agreed to either allow Miss R to pay £1 a week for the next year and to review the arrangement annually or to freeze the debt for six months and review after that time.

The investigator went on to consider Miss R's complaint about communication methods. She noted that Cabot hadn't called her and whilst she did recognise that they'd asked for a call, she thought they'd provided alternative forms of contact that meant Miss R didn't need to contact them. So she didn't think Cabot had communicated incorrectly.

But Miss R was still dissatisfied. She said the investigator hadn't taken her disability seriously and had ignored the fact that her illness was incurable. She insisted that she'd never be well enough to pay off the loans but explained that she'd been diligent in making consistent payments against her debt since 2004. She said the real question was whether she could maintain payments of any kind and the answer was that she couldn't. She explained that the law said she was disabled and the national debt line seemed to support her view that, in the circumstances she'd described, her debt should be written off.

## **my findings**

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

I was sorry to read about Miss R's poor health. She's clearly been through a great deal of difficulty for a number of years, and I sympathise. However, I don't think that Cabot need to take any more action than they have already suggested. I will explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The investigator has correctly explained that the relevant legislation and industry guidance doesn't direct Cabot to "*write off*" Miss R's debt. But it does expect them to respond positively and sympathetically to her circumstances. It needs to closely consider her circumstances and when being "*positive and sympathetic*" it may consider a range of options. Those options include suspending or waiving charges and interest which I see from the statements that they've done. The options also include considering freezing the accounts until things get better or accepting token payments and I see that Cabot have offered both of these options to Miss R.

In some circumstances where the disability is long term and there's little likelihood of improvement or chance that the customer will ever be able to repay the debt, they may consider "*writing off*" the debt. But here I'm not persuaded that there's sufficient information to suggest that's the case.

I understand that Cabot dispute having received Miss R's medical information until our involvement. I can't be sure what happened there but having reviewed the information I don't think there's sufficient to suggest that Miss R's condition, won't improve to a point where payments would be possible.

I understand Miss R's diagnosis is serious and don't want to underplay the impact I'm sure it is having on her life. But the evidence that has been provided from the doctor describes her condition as "*relapsing remitting*" which would suggest there may be times of remission when a return to some sort of payment may be possible. And in those circumstances I can understand that Cabot may wish to continue to take some interest in the debt.

I don't agree that Cabot have been insensitive to Miss R's disability. They've been sympathetic and positive in their proposals and I understand their offer to allow Miss R to make £1 monthly payments, reviewed annually or to freeze the accounts with a six monthly review, are still available. In these circumstances I would agree with the investigator that they've done enough and need take no further action.

I have also considered Miss R's complaint about communication. I can see that Cabot has followed her request to only contact her in writing and have removed phone numbers from their contact sheets. But there have been occasions when they've suggested Miss R give them a call. Whilst I can understand this may have been annoying for Miss R I don't think she's been disadvantaged as the letters she received also provided alternative communication means. So I don't think Cabot need to take any further action here either.

I really hope Miss R's situation improves and I hope I've been able to make my view, and the law and guidance Cabot need to follow, clear. I apologise if any of my comments have

caused her any upset but I'm afraid I don't think the evidence does not support Cabot taking any more action than they currently have done.

**my final decision**

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 23 December 2018.

Phil McMahon  
**ombudsman**