

## **complaint**

Mrs K complains that Cabot Credit Management Group Limited ("Cabot") are chasing her for a debt she doesn't owe.

## **background**

In February 2005 Mrs K took out a personal loan with a business I'll call Z. Payment Protection Insurance (PPI) was also included and, with interest, the total amount payable was £10,343.40. Tesco defaulted the account and the debt was sold to Cabot who sent a Notice of Assignment (NOA) to Mrs K on 14 December 2016. They said the debt Mrs K owed them was £3792.64.

But Mrs K said she'd paid Tesco. She was concerned that Cabot made demands for payment before receiving relevant information from Z about the loan.

Cabot didn't agree. They received information from Z that persuaded them the debt they were pursuing from Mrs K was correct and they explained that the NOA had explained they were the new owners of the debt and they had accurately stated what that debt was. So they didn't think they needed to take any further action.

But Mrs K disagreed and she referred her complaint to this service. Our adjudicator provided a detailed breakdown of the loan and the repayments for Mrs K. He explained that:

- the original loan was for £10343.40 this included the PPI policy and interest. The first payment was made in 2005
- the PPI policy paid some of the instalments from May 2006 into 2007
- the balance at the end of the PPI claim was £6,654.25
- thereafter Mrs K received two refunds of interest from the PPI policy which further reduced the balance to £6,144.35
- further repayments reduced the balance and a final credit for refunded interest left the final balance at £3,792.64
- this was the debt that Z sold to Cabot

He was therefore satisfied that the debt was correct and that Mrs K remained liable for it.

But Mrs K was still dissatisfied. She said the letter she'd received from Z, before she received the NOA, had said her balance was now "*paid off*" and she asked for a final decision by an ombudsman.

## **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 know it will disappoint Mrs K but I agree with the adjudicator's view. Please let me 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.

I've reviewed the account information that the adjudicator set out and that I've summarised above. I agree that the balance of the account transferred from Z to Cabot is correct and that Mrs K therefore remains liable for it.

I don't accept Mrs K's suggestion that the debt was paid off before Cabot bought it. When Z said that the loan was "*paid off*" it meant that the debt had been sold to Cabot. Whilst Mrs K owed nothing to Z she remained liable for the debt Cabot now managed and which it accurately advised her of in the NOA.

So overall, I don't think Cabot have done anything wrong. They've purchased the debt from Z that Mrs K owed and to which she's liable and I don't think they need to take any further action.

### **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 Mrs K to accept or reject my decision before 18 February 2019.

Phil McMahon  
**ombudsman**