

## **complaint**

Mr S complains that Cabot Credit Management Group Limited ("Cabot") are not writing off a debt he has with them despite him suffering from an incapacitating mental illness and experiencing significant financial distress. He also complains that the business has ignored his request to only communicate in writing.

## **background**

Mr S says that he's been in extreme financial difficulty for ten years. He's not working as he has a serious mental illnesses from which he says won't recover.

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

Cabot said that they hadn't been provided with information to demonstrate that Mr S's medical condition affected his ability to make payments or manage his 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 Mr S referred his complaint to this service and our investigator took a look. She understood that Mr S 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 Mr S was currently unable to pay the debt she had not been provided with evidence to suggest he 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 Mr S's behalf.

They agreed to either allow Mr S 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 Mr S's complaint about communication methods. She noted that Cabot hadn't called him and whilst she did recognise that they'd asked for a call, she thought they'd provided alternative forms of contact that meant Mr S didn't need to contact them. So she didn't think Cabot had communicated incorrectly.

But Mr S was still dissatisfied. He said the investigator hadn't taken his disability seriously and had ignored the fact that his illness was incurable. He insisted that he'd never be well enough to pay off the loans but explained that he'd been diligent in making consistent payments against his debt since 2004. He said the real question was whether he could maintain payments of any kind and the answer was that he couldn't. He explained that the law said he was disabled and the national debt line seemed to support his view that, in the circumstances he'd described, his 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 can see Mr S has had a really difficult time and I am sorry to hear about his difficulties. But I'm afraid 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*" Mr S's debt. But it does expect them to respond positively and sympathetically to his circumstances. It needs to closely consider his 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 Mr S.

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 Mr S'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 Mr S's condition, won't improve to a point where payments would be possible.

Mr S has explained that his condition "*may never improve*" but the doctor's letter doesn't say that. It describes his current condition only and whilst this is obviously very debilitating, the doctor doesn't explain the long term prognosis: he doesn't comment on whether Mr S will get better. So I don't think it would be fair to Cabot to suggest they write off the debt.

I don't agree that Cabot have been insensitive to Mr S's disability. They've been sympathetic and positive in their proposals and I understand their offer to allow Mr S 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 Mr S's complaint about communication. I can see that Cabot has followed his request to only contact him in writing and have removed phone numbers from their contact sheets. But there have been occasions when they've suggested Mr S give them a call. Whilst I can understand this may have been annoying for Mr S I don't think he's been disadvantaged as the letters he received also provided alternative communication means. So I don't think Cabot need to take any further action here either.

I have the greatest of sympathy for Mr S's position and wish him well but I'm afraid I don't feel the evidence in this case supports a direction to the business to write off the debt. I hope

I've been able to make my view, and the law and guidance Cabot need to follow, clear and I apologise if any of my comments have caused him any upset.

**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 Mr S to accept or reject my decision before 23 December 2018.

Phil McMahon  
**ombudsman**