

## **complaint**

Miss L complains that a debt she has should not have been sold on.

## **background**

Miss L defaulted on a loan in 2011 and was taken to court by the creditor, who I'll call company B. They subsequently obtained a charging order against her house. The debt has since been sold to various debt management companies. It's recently been taken over by Cabot Credit Management Group Limited ("Cabot") who have asked a solicitor's practice, who I'll call company M, to manage the account. Miss L thinks Cabot should not have taken over the account or asked M to manage it as the courts order was only in favour of company B.

Cabot explained that they were now the legal owners of the debt and they didn't think they were doing anything wrong when asking company M to manage it.

But Miss L disagreed and referred her complaint to this service where our investigator provided an opinion. The investigator explained that company B were legally entitled to sell the debt and didn't think Cabot had done anything wrong when asking company M to manage it.

Miss L disagreed with the investigator's view and she therefore asked for a final decision to be made 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 Miss L but I agree with the investigator's view on this complaint. 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.

Most creditors specialise in lending money and not in chasing debts. So they will often sell debts to debt collection companies and they are legally entitled to do this. Those companies often appoint others to manage the debts on their behalf or may, in turn, sell the debts again. So I don't think Cabot have done anything wrong here.

When the debts are sold on the company acquiring the debts must follow the same rules as the original creditor: they can't add interest for instance. Here, I'm persuaded there hasn't been a change. I can see, for instance, that the new company have agreed to allow a continuation of the payment plan Miss L agreed.

So I don't think there's evidence that Cabot has done anything wrong here and I'm not asking them 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 Miss L to accept or reject my decision before 18 January 2020.

Phil McMahon  
**ombudsman**