

complaint

Mr T complains that Cabot Financial (Europe) Limited ("Cabot") is seeking repayment from him of an incorrect amount

background

Mr T originally had a debt with another financial provider ("the original lender") which was sold to Cabot in April 2011. Mr T was told about the debt sale in May 2011, and that the balance of the debt was £1,175.01. He was also told to make further payments to Cabot. Mr T wrote to Cabot in June 2011 to say that he had made a repayment agreement with a debt collector appointed by the original lender, and suggested that the debt had been sold twice. The original lender said that the last payment it had received from its debt collector was £10 in January 2009. But Mr T said that he had made monthly payments of £10 to the debt collector in accordance with his agreement with it after this date, but these were then returned to his bank account. Cabot said that the outstanding balance due to it was still the same debt amount of £1,175.01 which had been sold to it. It also said that it should not be responsible for any discrepancies that may have occurred prior to its ownership of the debt.

The adjudicator did not recommend that the complaint should be upheld. He concluded that he had been provided with insufficient evidence to be persuaded that Mr T had made any further payments towards reducing the debt after January 2009. He was satisfied that the amount outstanding to Cabot was £1,175.01.

Mr T disagreed, and responded to say, in summary, that the original loan could not be resold by the original lender, and that he had made repayments to the debt collector until May 2010.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have seen a copy of the letter from the original lender to Mr T informing him of the sale of his loan balance of £1,175.01 to Cabot in April 2011. I am satisfied that the original lender was entitled to sell the debt. This is a common practice for lenders.

The original lender also told Cabot that the last payment it had received from its debt collector was £10 in January 2009, and that no further payments were allocated to the account after this date. I can also see that Mr T's letter to Cabot dated early October 2011 said that whilst he had made repayments to the debt collector after January 2009, these repayments were returned to his bank account. I understand that this was because the wrong account number was quoted for the debt collector. This meant that those repayments were not reducing his loan balance, which remained at £1,175.01 until the debt was sold.

In these circumstances, I am not persuaded that the loan account balance of £1,175.01 is incorrect. It follows that I do not find that Cabot has done anything wrong in rejecting Mr T's claim.

As an ombudsman, I consider individual complaints and decide whether something has gone wrong. But a court may take a different view of the situation. If Mr T does not accept my decision, he is free to pursue his arguments through the courts.

my final decision

My decision is that I do not uphold this complaint.

Roslyn Rawson
ombudsman