

## **complaint**

Mr M complains that on a number of occasions Cabot Credit Management Group Limited t/a Cabot Financial (Europe) Limited gave him confusing information about whether he still owed money or not

## **background**

Mr M borrowed money from a third party company. Some time later his debt was sold to Cabot after he defaulted on his contractual payments. Mr M reached a repayment agreement with Cabot and he stuck to this over the next nine years.

Mr M's debt was bought back from Cabot by the original lenders. Cabot says it sent Mr M a letter to let him know this but he says he didn't receive it.

The re-purchase triggered an automated letter from Cabot telling Mr M his debt had been repaid in full and it needed to refund an overpayment to him. Mr M phoned Cabot to let them know what to do with the overpayment but he also asked to clarify what the letter said as he'd seen the debt was still showing on his credit file.

He phoned on a number of occasions but the advisers he spoke to weren't able to explain what had happened and why the debt was still showing on his credit file. Two of the advisors promised to phone Mr M back once they'd clarified things but they didn't.

Mr M complained to Cabot and it explained about the debt being sold back to the original lenders and this had triggered the letters saying it had been fully repaid. It apologised for the confusion caused. Mr M wasn't satisfied with this and brought his complaint to this service.

Following contact from our investigator, Cabot issued a further final response and paid Mr M £75 because of the calls that weren't returned.

Our investigator said that she thought Cabot should pay Mr M a further £25 to recognise the trouble and upset he'd experienced because of the lack of clarity provided by the advisors during the calls. Initially Cabot agreed to this but later said it didn't think that was right and asked for an ombudsman to make a decision.

## **my findings**

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

Generally, what's happened here isn't in dispute. Cabot has accepted the letter it sent saying Mr M's debt was repaid wasn't correct and caused Mr M confusion. And it's already paid him £75 because two of its advisors didn't return calls when they promised to.

So what's left for me to decide is whether it needs to do more to recognise the confusion it caused when Mr M was trying to clarify whether he still owed money or not.

Mr M says he didn't receive the letters Cabot says it sent explaining the debt had been re purchased by the original lender and I have no reason to doubt him. On the balance of probability, I think it's unlikely Mr M would have made the calls he did to Cabot if he'd received the letter or was aware of what had happened.

I've listened to four calls Mr M made to Cabot and it's clear during these that the advisors didn't know with any certainty what had happened to Mr M's debt. On several occasions he's told the debt shouldn't or isn't still being reported to credit reference agencies even though he tells them it definitely is.

On one of the calls he's told the balance is in credit and he's asked what he wants to do with the £30 overpayment. It's not until the fourth call that an adviser is able to identify what's happened but not before she's also said the debt shouldn't still be reported and that he's due a refund.

In its defence Cabot says it asked Mr M several times to supply it with copies of his credit file showing the loan still being reported and he didn't do this. I can see this may have been helpful but I don't think that's an excuse for the lack of clarity the advisors were able to give Mr M.

It also says its advisors have limited information available to them. But I still think the advisers should have been able to tell Mr M with certainty what had happened to his debt particularly bearing in mind the fourth advisor was eventually able to do this.

Bearing all this in mind I understand why Mr M was confused by the conversations he had with Cabot. I think it should pay him a further £25 to apologise for the trouble and upset it caused him during these calls.

### **my final decision**

My final decision is that I uphold this complaint and direct Cabot Credit Management Group Limited to pay Mr M a further £25 on top of the £75 it's already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 March 2018.

Paul Phillips  
**ombudsman**