

## **complaint**

Mr A, represented by Ms A, complains that Cabot Financial (Europe) Limited (the business) has provided incorrect information about the debts he has outstanding. He also complains that it has not responded to the letters sent in regard to his complaint.

## **background**

Mr A says that he had a loan which he then consolidated with a new loan. The new loan was for £5,000 and he says that just over £1,000 of this was used to settle his previous loan. Mr A says that he has made payments towards this loan for 11 years and that it should have been paid off by now. He also says that his current account was closed by the provider and that at the time it was closed it was in credit.

In 2015, Mr A says that the business sent him letters stating that he had three outstanding accounts. He says he has disputed this and requested further information but this has not been provided.

The business says that it purchased three accounts from the original credit provider in June 2015. It says all three accounts had been defaulted in August 2006. Two accounts were loans to Mr A and one was his current account. It says that it sent notice of assignments to Mr A for these accounts which confirmed the outstanding balances.

The business says that the original credit provider consolidated the accounts under one reference number (which was the number of one of the loans) so that Mr A only made one payment but that this payment was then spread across the three accounts. It says when the debts were sold to it they were separated back into the original three accounts. It says that the original credit provider confirmed the original loan was not cleared by the second loan.

The business says that when it was contacted about Mr A's dispute it contacted the original credit provider to request the documentation. It says that it was slow to respond to the issues raised on Mr A's behalf and that his complaint was not recorded correctly and so a final response not sent out.

The adjudicator did not uphold this complaint. She said that she was only considering whether the business had made an error and that the issue regarding whether the two loans were consolidated would need to be taken up with the original debt provider.

She said that she was satisfied that the business had not made a mistake since purchasing Mr A's accounts. She said that the original debt provider had said that when the accounts were opened they were administered separately but then it appeared that they were consolidated under one reference number with one payment amount being required. She said that when the accounts were sold to the business they were separated back into three accounts.

The adjudicator noted that the business had said it would write off the balance on the current account and deduct £240 from the two loan accounts in recognition of the time taken to resolve this complaint. She said that the two loans did remain outstanding and Mr A should contact the business about setting up an affordable repayment plan.

Mr A did not accept the adjudicator's view. He said that he only had one debt as his two loans were consolidated into one. He said that his current account was closed without

warning and was in credit at the time. Mr A said he had made it clear that his complaint was about the business and all the other parties involved in this issue but only the actions of the business had been considered.

### **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 note Mr A's comments about his complaint being about all the parties associated with the elements of his complaint. However, as the complaint is raised against the business it is only the actions of the business that I am considering in this decision.

It is not disputed that Mr A had had three accounts with the original credit provider: two loan accounts and a current account. Mr A said that his current account was closed with a credit balance. I have looked at the information provided and I note a letter from the original current account provider dated September 2015. This sets out that the current account was closed and defaulted in 2006 with a balance of almost £87. Mr A says that the account was in credit when it was closed. However, based on the information provided including the information that the account was defaulted, I find it reasonable to accept that there was an outstanding balance on this account. The letter also confirms that there were two outstanding loans.

I appreciate that Mr A says that he used the second loan to settle his first loan. I also note the information Mr A has provided which references him voluntarily using part of his loan to discharge a previous debt. However, the original loan provider has given information saying that the loan was not cleared. It has further said that Mr A was making payments to a consolidated account which had the reference of one of the loans and the payments were then being split across the three accounts.

On balance, based on the information provided about the outstanding accounts I do not find that the business has done anything wrong in accepting there were amounts outstanding on two loans and a current account. It acquired the debts from the previous owner and has acted in good faith based on the information it was provided with. It sent Mr A the notice of assignments which set out the amounts owed.

The business has accepted that mistakes were made in regard to how it dealt with Mr A's complaint. It has said it took the decision to write off the balance on the current account and that £240 would be deducted from each of the loan balances to reflect the time taken to resolve the issue. I find this reasonable.

Overall, I find that based on the information provided to the business, it has not done anything wrong by contacting Mr A about the three outstanding debts. I find that it has acted reasonably by saying the debts would be reduced by £240 and the current account written off in response to the delay in dealing with Mr A's complaint.

Because of this I do not require the business to do anything further.

**my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 April 2017.

Jane Archer  
**ombudsman**