

complaint

Miss D has complained Cabot Financial (Europe) Limited asked her to pay her debt after she'd got a bankruptcy order in place. She's upset as this added to her health problems.

Miss D is represented in her complaint by a friend, Mr C.

background

Miss D has not been well and wasn't able to keep working. As she wasn't able to pay her debts, she was declared bankrupt in March 2015. She made sure the court knew what her debts were.

Cabot owned the debt from her current account and had previously taken out a county court judgement against Miss D to get the debt paid. But the warrant of execution wasn't followed through because Mr C made the court aware of her health.

In April Miss D got a letter from the solicitors acting for Cabot asking her to sort out her debt. Mr C contacted them. They confirmed the account was closed and Miss D wouldn't be contacted again. Mr C contacted Cabot as he felt their behaviour had caused Miss D further health issues. They offered her £100 and then £250. Mr C brought Miss D's complaint to the ombudsman service.

Our adjudicator noted Cabot's solicitors had only sent one letter to Miss D and at the time hadn't known about the bankruptcy order. She felt their offer was fair but noted the difficulties Miss D had in getting a response from them. Mr C felt this offer was derisory and asked an ombudsman to review Miss D's case.

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've left out some of the details of this case but I'm satisfied I've reviewed all of the evidence.

It's worth saying upfront I'm aware of Miss D's health issues. I've seen the evidence from her health advisor. This is clear that what happened added to her problems. However there is no evidence to show Cabot knew about her health before they were told by Mr C. And as soon as they knew about Miss D's health, they did stop contacting her and cancelled the debt.

Like our adjudicator I felt their offer of £250 was fair on this aspect of the case. I don't believe Cabot knew about Miss D's bankruptcy. The letter they sent and the one received from the Insolvency Service are dated pretty close together.

However I also looked at how Cabot dealt with Miss D's complaint. I believe Cabot met regulatory obligations to respond to the complaint but by that stage they knew about Miss D's health so it would have been fair to hurry things along. Cabot did state their offer of compensation was *"fair and reasonable"*. They may well have thought that – and I appreciate Cabot had got technical advice from our service but that wouldn't be specific to Miss D's case. But I am concerned about how that seemed to Miss D. Cabot knows we have concerns when businesses seem to suggest it's not worth someone raising a complaint at the ombudsman service because the customer wouldn't get any more than is on offer.

So because of those aspects, I've decided another £250 should be added to the compensation. I don't doubt the delays and Cabot's management of her complaint continued to alarm and upset Miss D.

I wrote to both Mr C and Cabot to let them know I was raising the compensation to £500. I appreciate Miss D may start to feel better when this is all behind her and I hoped we could get things sorted out quickly. Mr C told us Miss D was willing to accept this but I heard nothing from Cabot at all. I suspect Mr C will think this only shows exactly what he was saying. Anyway I have now completed a final decision which will get things sorted.

We've already contacted the Official Receiver to let them know we were reviewing this complaint. They've confirmed they consider our award is a personal one and can be given to Miss D for her personal use. Mr C has been helping Miss D with her personal finances and Cabot will need to arrange to pay this money into his account.

my final decision

For the reasons I've given, my final decision is to instruct Cabot Financial (Europe) Limited to pay Miss D £500 for the distress caused to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 23 November 2015.

Sandra Quinn
ombudsman