



complaint

Mrs B complains that Cabot Financial (Europe) Limited ("Cabot") phoned her an excessive number of times from October 2013 to chase her debt repayments. Mrs B is also unhappy that despite her offer to settle the debt with a one-off payment for an amount less than the debt, Cabot still asked her to repay the outstanding debt balance.

background

Mrs B had a store card debt which she agreed to repay by monthly repayments of £2 in August 2005. The debt was sold to Cabot in November 2007. In July 2013 Mrs B offered to pay Cabot a one off payment of £90 to settle the outstanding debt balance of just over £433. She also stopped her monthly repayments in July 2013. Cabot did not respond to Mrs B's offer, but as her payments had stopped, it started to phone her to chase her for repayment of the debt. In December 2013 and January 2014, she received up to four calls a day on many of the days in those months. These caused distress to Mrs B, especially as the caller would often hang up before she could answer the phone. Cabot accepted that it had sometimes made two calls a day to each of Mrs B's respective land and mobile lines.

The adjudicator concluded that Cabot's offer to accept Mrs B's offer to pay £90 in full and final settlement of the debt was fair and reasonable. She considered that Cabot's acceptance of £90 meant that it would be writing off over £340 of the debt. She said that this was fair compensation for the distress caused to Mrs B by Cabot's poor customer service.

Mrs B disagreed and responded to say, in summary, that Cabot needed to learn a lesson. She also said that she was unhappy that Cabot had said that she was not justified in her comments about its phone calls.

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 can see that Mrs B was very upset about the number of calls which Cabot made to her. In particular, I can see that on many of the days in December 2013 and January 2014, up to four calls were made to Mrs B a day. Whilst Cabot said that it only called each of Mrs B's phone lines up to twice a day, I can understand that she would be distressed to receive four calls a day, especially when there was nobody at the end of the phone when she answered it. Cabot said that it had also written to Mrs B during this period, but she did not answer its letters.

I can also see that Cabot called Mrs B on only one day in February 2014, and four days in March 2014, and that it stopped calling her in April 2014. It has since removed her phone number from its records.

I also note that Mrs B offered to pay Cabot £90 to settle her debt in July 2013, but that it did not respond to her offer. I agree that Cabot's failure to reply to Mrs B's offer, and the large number of calls made to Mrs B, especially in December 2013 and January 2014, amounted to poor customer service.

I can also see that Mrs B said in her complaint form to this service that she would accept a reduction of her debt to £90, although she later said that she would only pay £40 to settle the debt. Cabot recently offered to accept her first offer. It has also offered to accept payment by three monthly instalments. I consider that this is fair. I also note that by doing this, Cabot will be writing off over £340. Any award of compensation I would have made for Cabot's poor customer service would not have exceeded the amount it has offered to write off.

Mrs B said that she would like Cabot to learn a lesson, but this service does not supervise, regulate or discipline the businesses we cover and we have no authority to impose punitive damages or to require a business to alter its systems. If Mrs B does not accept my decision, she can choose to consider alternative action against Cabot, for example through the courts.

my final decision

My decision is that I uphold this complaint in part. In full and final settlement of this complaint, I order Cabot Financial Europe Limited to:-

1. Write off £340 from Mrs B's outstanding debt balance; and
2. Accept £90 (payable by three monthly instalments) in full and final settlement of Mrs B's debt.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs B to accept or reject my decision before 5 December 2014

Roslyn Rawson
ombudsman