

The complaint

Mr J complains about a default Home Retail Group Card Services Limited, trading as Argos Card, who I'll call Argos, reported to his credit file.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

What I've decided – and why

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

I know it will disappoint Mr J, but I don't think Argos have done anything wrong here.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Most credit providers won't record an account as being in default just because one payment has been missed. There'll usually be a trigger point. The Information Commissioner's Office suggests an account should be defaulted when the account is no less than three months in arrears and no more than six.

Here the account was defaulted when Mr J was three months in arrears, so I think that was reasonable. It wouldn't have been reasonable not to have defaulted the account as if the account continued to accumulate interest that would place even more burden on Mr J.

I can see that Argos sent arrears reminders to Mr J and that they communicated their intention to default the account correctly in the Notice of Default they sent to him in July 2022.

As Mr J didn't pay the arrears in full before the deadline given in that default notice I think Argos were fair to terminate the account. In those circumstances they would then seek to recover the full account balance.

Mr J says he wanted to agree a repayment plan before the default deadline, but that Argos didn't agree that repayment plan until after his account was defaulted and the default was reported to the credit reference agencies. It seems Argos didn't have enough information to establish what would be sustainably affordable for Mr J at the time. Mr J says that they eventually agreed repayments of £5 per month against the account balance of nearly £600. An account may also be recorded as being in default where an arrangement to pay has been

entered into and the arrangement is for repayment of a sum substantially less than required. Here I think that was the case and Argos explained that to Mr J in the call he had with them shortly before the account was defaulted.

Ultimately, I don't think Argos have done anything wrong or need to take any further action.

My final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 August 2023.

Phillip McMahon
Ombudsman