

The complaint

Miss H complains that Home Retail Group Card Services Limited trading as Argos Card (Argos) continued to charge interest on her card when she went into a debt management plan. She would like the interest on her account frozen.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will focus on giving the 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.

Having done so I agree with the conclusions reached by our investigator for the following reasons:-

- We expect businesses to respond positively and sympathetically when consumers are in financial difficulty. That doesn't mean we expect them to take automatically take certain actions such as freezing interest or writing off outstanding balances.
- It's clear that Miss H is in financial difficulty, but she is taking responsibility by working with a debt management company to pay off her debts. I have seen no evidence of Argos offering Miss H support with her financial situation.
- Argos has referred to its terms and condition which allow it to charge 29.9% APR as Miss H is paying off slightly more than the monthly minimum payment. Whilst its terms and conditions may allow for this it doesn't seem be in the spirit of helping Miss H. And Miss H isn't asking for her debt to be written off, just for interest to be frozen to give her a fair chance to pay the debt off in a reasonable timescale.
- I am also mindful that it's the debt management company who have set the amounts that Miss H pays to each creditor not Miss H. It seems slightly unfair that by paying just over the minimum monthly payment Miss H is charged interest when if she were to pay less, she wouldn't be charged interest.
- The amount Miss H owes is approximately £500. It seems to me disproportionate that for each monthly repayment of £17.53, £11 of interest is added. I think it would be reasonable to freeze the interest on the account whilst Miss H continues to make regular monthly payments and doesn't use the card to allow Miss H to pay off the outstanding balance

My final decision

My final decision is that I uphold this complaint.

In full and final settlement Home Retail Group Card Services Limited trading as Argos Card should freeze the interest on Miss H's account with effect from the date of this decision whilst Miss H continues to make regular monthly repayments and doesn't use her card

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 1 April 2021.

Bridget Makins
Ombudsman