

## **The complaint**

Mrs C complains about a decision by Argos Limited, trading as Argos Card (“Argos”), to suspend her account as it was in persistent debt.

## **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 Mrs C, but I agree with the investigator’s opinion. Please let me explain why.

The FCA set rules (CONC 6.7.27) about “*persistent debt*” that companies such as Argos have to follow. They define persistent debt as when a consumer has paid more in interest, fees and charges than they’ve repaid towards the capital they owe over the previous 18 months. The FCA require businesses to assess whether a customer falls within this definition and when they identify that’s the case the rules require a business to send letters to the consumer 18, 27 and 36 months after the account falls into persistent debt.

Here Argos identified that Mrs C’s account met, and continued to meet, the FCA’s definition of persistent debt and I can see that they sent the letters they were obligated to send to Mrs C after 18, 27 and 36 months.

Those letters explained, amongst other things, why they thought Mrs C was in persistent debt and why increasing payments would reduce the cost of the borrowing. They also encouraged Mrs C to get in touch so they could provide advice. The letters explained that the rules meant the account would eventually need to be suspended if insufficient action was taken. That was to enable Mrs C to get on top of the debt.

I think the letters Argos sent complied with the FCA rules and that their assessment the account was in persistent debt was correct. As insufficient action was taken by Mrs C Argos had to eventually suspend the account and offer repayment options.

So, I don’t think Argos have done anything wrong here and I’m not asking them 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 Mrs C to accept or reject my decision before 23 June 2021.

Phillip McMahon  
**Ombudsman**