

The complaint

Ms H is unhappy that Home Retail Group Card Services Limited (Argos) are reporting arrears to her credit file.

What happened

In October 2019, Ms H emailed Argos and advised that she'd sought help from a debt charity to help her manage her financial affairs. Ms H's email requested that Argos put her account on hold until the debt charity arranged a payment plan with them. However, when Ms H checked her credit file sometime later, she noticed that Argos were reporting that her account was in arrears. Ms H wasn't happy about this, so she raised a complaint.

Argos looked at Ms H's complaint, but they noted that they hadn't agreed to put Ms H's account on hold and that Ms H had therefore fallen into arrears when she stopped making payments towards her account before the payment plan with the debt charity was agreed. Argos also noted that they'd sent correspondence to Ms H which had confirmed that her account was in arrears at that time. Because of this, they didn't feel that they'd done anything wrong and they didn't uphold Ms H's complaint.

Ms H wasn't satisfied with Argos' response, so she referred her complaint to this service. One of our investigators looked at this complaint. But they also noted that it hadn't been confirmed to Ms H that her account would be put on hold such that she didn't need to continue to make payments, and that statements had been sent by Argos to Ms H advising of her arrears. So, they also didn't uphold the complaint.

Ms H remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Ms H explained to this service that she emailed Argos to advise that she had sought help from the debt charity and that she requested that Argos put a hold on her account until the debt charity arranged a repayment plan with them. Ms H also stated that Argos agreed to her request that her account be put on hold, and that it was for this reason that she stopped making payments towards the account.

Unfortunately, neither Ms H or Argos retain a copy of the message that Ms H sent, so I'm unable to confirm the specifics of what Ms H stated in that email. However, I have seen a copy of the response that Argos sent to Ms H, and there's no reference to a request for the account to be put on hold in that response.

The Consumer Credit (CONC) section of the Financial Conduct Authority (FCA) Handbook details what a business must do when a customer advises them that they have sought help from a debt charity. Specifically, CONC 7.3.11 explains that a business:

“...must suspend the active pursuit or recovery of a debt from a customer for a reasonable period...”

Importantly, Ms H isn't complaining here that Argos continued to pursue the active recovery of a debt, but rather than Argos continued to treat the payments that were due on the account as being due on the account, and didn't suspend the requirement for monthly payments to be made while a payment arrangement was being brokered by the debt charity.

But there isn't any requirement for Argos to suspend the payments due on the account as Miss H requested here, and from the information available to me, I can't see that Argos agreed that Miss H wouldn't need to continue to make monthly payments while the repayment plan was being brokered by the debt charity.

It's also evident that Argos sent Ms H statements after she didn't make the minimum monthly payment which specifically stated that her account was in arrears. And, while Ms H has explained to this service that she didn't receive those statements, I'm satisfied that they were sent to Ms H's correct address, and I wouldn't consider holding Argos accountable for the non-delivery of sent mail. Ultimately, the responsibility for monitoring and understanding the status of an account rests with the account holder.

That isn't to say that I don't sympathise with Ms H's position here, and I can understand why she might have assumed that she didn't need to make ongoing payments towards the account while the debt charity was working with Argos on her behalf

But given all that I've explained above, I can't fairly say that Argos have done anything wrong here, especially considering that there's no record of Argos agreeing that Miss H didn't need to make ongoing monthly payments, that there's no requirement for them to agree to such a request, and also that they sent notifications to Ms H confirming that her account was in arrears.

I realise that this won't be the outcome that Ms H wants here, but it follows that I won't be upholding this complaint or instructing Argos to take any further action at this time. I hope that Ms H can understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 22 September 2021.

Paul Cooper
Ombudsman