

The complaint

Mr C complained about Home Retail Group Card Services Limited trading as Argos. He isn't happy that a default was issued against his name after there was a problem with his direct debit payment which affected his credit file.

What happened

Mr C's direct debit payment failed for some reason, but he wasn't aware of this at the time. Argos wrote out to Mr C about the payment failing but Mr C had changed address, so he wasn't aware of the problem. And Argos referred the matter to a debt collection agency, and ultimately this has affected his credit file.

As Mr C wasn't happy about this he complained to Argos. It acknowledged that it had been communicating with an incorrect address, as Mr C had moved. But said it hadn't done anything wrong as it simply followed its process which led to a default.

Our investigator looked into things for Mr C and upheld his complaint. She thought it was clear that Mr C had changed address as mail had been returned earlier to Argos and it had marked its internal records accordingly. And that Argos should've looked to communicate with Mr C by other means (such as email, phone or text).

As Argos didn't agree and didn't respond to our investigators follow up view the matter has been passed to me for review.

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.

Although Argos has followed its process I think this has produced an unfair outcome in the particular circumstances of this case. I'll explain why.

Mr C didn't realise there was a problem with his direct debit which was for a small amount. When Argos wrote out to him about this it knew the address it held was incorrect as it had mail returned before and decided to stop sending post to the address it held previously. It only started to write out to Mr C again, at the incorrect address, following the problem with the direct debit. And Mr C has told this Service that he told Argos he had moved address on more than one occasion. Given this, I'm surprised it didn't look to communicate with Mr C by some other means such as text or email.

Argos did suggest it tried other means of contacting Mr C but the information it provided doesn't appear to be for either Mr C's email address or mobile number. Our investigator questioned this with Argos, but it failed to respond. So I can only go on the information that has been provided which suggests that Argos only looked to communicate with Mr C at an address it knew, or ought to have known, was incorrect when it could have communicated by other means.

Given all of this I think the fair and reasonable thing to do, in the particular circumstances of this case, is for Argos to remove the default from Mr C's account and update his credit file to ensure that any adverse marker is removed. And to pay him £100 compensation for the clear stress and inconvenience all this has caused.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Home Retail Group Card Services Limited trading as Argos to remove the default from Mr C's record, to ensure his credit score isn't affected, and to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 December 2022.

Colin Keegan
Ombudsman