

The complaint

Mr E complains that Home Retail Group Card Services Limited, trading as Argos Financial Services, who I'll call "Argos" were unreasonable to apply interest to his Buy Now Pay Later (BNPL) purchases.

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 E, but I think Argos have now done enough to resolve this issue.

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.

Argos have explained that they stopped issuing text messages to remind consumer's their BNPL transactions needed to be paid for, in August 2021. That was a service they weren't obliged to offer, and I can see that even whilst that service was in place Mr E did miss some payments and attract interest on them. The statements Mr E received set out when the BNPL transactions needed to be paid for so I think Argos did make him aware of that, and whilst statements were only available on-line, Argos have provided evidence that they informed Mr E that would be the case and he doesn't appear to have asked to continue to receive paper statements.

However, it's clear, that at least to some extent, Mr E relied on the text messages to tell him when payments were due. Argos have therefore offered to refund the interest charges for the first transaction Mr E failed to settle in time after the BNPL text messages ceased. I think that's a fair resolution in the circumstances, and whilst I'm asking them to do that, I'm not asking them to take any more action.

Putting things right

Argos should refund the first deferred interest charge that occurred after text alerts ceased, a total of £16.73.

My final decision

For the reasons I've given above I uphold this complaint in part and tell Home Retail Group Card Services Limited to refund the first deferred interest charge that occurred after text alerts ceased; a value of £16.73.

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

Phillip McMahon
Ombudsman