

The complaint

Mr M has experienced a number of problems in his dealings with Home Retail Group Card Services Ltd trading as Argos Card Services (Argos).

What happened

Mr M has an Argos credit card and made his monthly payments to it using an app on his mobile phone. He received a message to say the app was insecure. Argos told him that if he continued to see the message, he'd need to download a new app. But the app was too big for the storage on his phone, so he was unable to do so. This meant Mr M was unable to make payments in the way he'd been used to and this led to a few late payments for which he was charged each time.

In order to make payments by an alternative method he was comfortable with, Mr M would call Argos. Each time, staff members would advise him to download the app, despite him telling Argos he was unable to do so. This became stressful for Mr M as he had to repeat himself each time he called to make a payment. He told Argos he has a hearing impairment and mental health issues, so using the phone was stressful enough without being told to do something he'd already said he couldn't do. In December 2020, Mr M says he had a seizure which he believes was brought on by the stress of dealing with Argos over the phone.

Mr M complained to Argos about the service he was receiving and was promised a call back. This was over his birthday weekend, so he says he reorganised activities to ensure he could take the call. But the call wasn't made which understandably caused him distress and inconvenience.

He made several calls trying to chase up a response and find a solution to the problems he was facing despite finding phone work difficult. Mr M tells us that he asked to pay weekly rather than monthly but was told he couldn't. He complained about the level of interest charged on his account and was promised some would be refunded but it wasn't. He says Argos emailed him a final response letter but knew he had no space on his phone to be able to download and read it.

Argos looked into his complaint and issued several responses as these complaints weren't all raised at once. It confirmed it had refunded interest of £53.07 under a "buy now pay later" agreement (BNPL) which had been repaid slightly later than due. Argos promised to refund three late payment fees as a result of issues Mr M had faced in making payments on time. It also credited Mr M's account with £30 in recognition of the complaint handler not calling him when promised. It said overall the charges and interest levied were in line with the terms and conditions of Mr M's account.

Mr M didn't agree with Argos' responses and referred his complaints to our service. One of our investigators looked into them. He noted the problems Mr M had experienced and said Argos should refund any late payment fees and rework the account to remove any interest as a result of late payments due to the problems with the app.

Argos didn't accept what our investigator recommended. It said it felt it had done enough to

resolve Mr M's concerns. As there was no agreement, Mr M's complaint has been passed to me for a 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 didn't agree with our investigator. I issued a provisional decision saying:

"The rules that govern our service are set out in the handbook of the Financial Conduct Authority (FCA) – specifically the Dispute Resolution (DISP) rules.

- *DISP 3.5.8 says that the ombudsman may give directions as to the issues on which evidence is required.*
- *DISP 3.5.14 says if the respondent fails to comply with a time limit, the ombudsman may include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make.*

Mr M has referred to us a number of issues as set out above and has been reasonably clear in what he's told us. But despite repeated requests, I've not been able to get a full picture of what happened from Argos' point of view. I've asked Argos to provide evidence such as call recordings and contact notes where Mr M raised his original complaints, but unfortunately it has been unwilling or unable to do so. It has provided partial contact notes, and some calls, but several pieces of evidence provided have been irrelevant or incomplete. Furthermore, it has told us it refunded three late payment fees but, after being asked to provide evidence of that, discovered it hadn't – it had only refunded two.

All this has unnecessarily delayed Mr M's complaint and has therefore increased his distress and inconvenience. In accordance with the DISP rules above, I've reflected that in the resolution I propose. I've reached a view based on the evidence I do have.

It is not in dispute that Mr M is obliged to make payments to his credit card each month and by the due date on his statement. There are a number of ways he can do this which are set out in the same document, and include methods such as direct debit, online banking, phone and Mr M's preferred method, via the app. Argos implemented changes to its app - presumably in an effort to make things easier for it and its customers – and that is a matter for its own judgement. I can't tell Argos that it was wrong to upgrade the app.

But the changes it made caused problems for Mr M and led to him feeling he had to call monthly to make a payment. Until Argos recently placed a marker on his account to prevent it, he was consistently advised to download the app despite having told Argos he is unable to do so. I can appreciate this will have been frustrating for him.

Furthermore, the hours Mr M works makes it difficult for him to get through to the call centres. He has short breaks, but in calls I've listened to, he says he's been hanging on for a long time during those breaks to speak with someone. While I appreciate calling a business will almost always lead to a queue of sorts, I feel more could have been done to help Mr M to understand the other payment methods available. This might have meant he wouldn't need to spend time calling and queuing. For example, while I've heard direct debit mentioned as a payment method, I've not heard the benefits of that explained to Mr M. Argos could have said a direct debit can be set to take the minimum payment each month on the due date, so he wouldn't need to call and wouldn't miss a payment (assuming funds are available).

Mr M has explained that he is hard of hearing and suffers with his mental health. He's said

the stress of dealing with Argos brought on a seizure in December 2020. Argos has acknowledged Mr M's hearing problems but told me it had no record of Mr M telling it about his mental health issues or the seizure he had. However, I have heard conversations between Mr M and Argos staff in which he mentions his mental health problems, and one call that Argos provided which was an internal call between two members of staff which included mention of his seizure. The seizure is also mentioned in the incomplete contact notes I've received from it. So, I think on balance, it's fair to conclude Argos ought reasonably to have been aware of Mr M's mental health issues and of the seizure.

Given what Mr M has told Argos about his health I think it would have been reasonable for Argos to have concluded that he is a vulnerable consumer (as defined by the FCA). But I can't see that Argos has tried to put anything different in place for him or to give him any extra assistance.

Mr M has become so frustrated with the service he receives from the business, that he has said in many of the calls I've listened to, that he wants to "be done with Argos". Having considered all the evidence to hand, I feel Argos could have done more to assist Mr M. And as I've said above, it has delayed things unnecessarily by failing to provide information and/or providing inaccurate and incomplete information.

As I've set out, Argos has caused Mr M distress and inconvenience, so I plan to uphold his complaint. I think Argos should put things right by paying Mr M £300. If he wishes, this money should be paid direct to Mr M, or he can ask for it to be paid off his account which may well clear the balance enabling him to move on in line with his wish mentioned above. Any excess money should be paid to Mr M direct."

Argos has accepted my provisional decision. Mr M has acknowledged it but feels the award I've recommended is a little light – he feels £350 to £400 is appropriate. He says he found it very difficult to phone Argos due to his hearing impairment and the effective removal of the app from him caused him a lot of stress.

I acknowledge Mr M's comments and have thought carefully about what he's said. I have to bear in mind that Argos was entitled to upgrade its app as it felt necessary. And there were other payment methods available to Mr M – such as direct debit – which will have meant he didn't need to call each month. But I also believe Argos ought to have done more to assist Mr M as I've set out above.

All things considered, I think the recommendation I've made – that Argos should pay Mr M £300 - is fair and reasonable taking into account all the circumstances involved. Mr M tells me this will clear the balance of his account with Argos, so if he chooses to have the money paid to the account, I hope it'll enable him to move on from the experience.

My final decision

I uphold this complaint. Home Retail Group Card Services Ltd trading as Argos Card Services, I intend to uphold this complaint. It should pay Mr M £300 compensation for the distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 March 2023.

Richard Hale
Ombudsman