

The complaint

Ms P complains that she is no longer able to use her store card issued by Home Retail Group Card Services Limited trading as Argos Card Services (“Argos”).

What happened

Ms P opened an account with Argos in 2004 and was given a store card to use. In October 2022, Ms P tried to use her card but couldn't. She subsequently learnt the account was closed in September 2020.

Ms P complained to Argos. They said that Ms P's account had been closed due to inactivity and that she could reapply for a new Argos account and card. They offered Ms P a £20 Argos voucher as they couldn't find any record of correspondence being sent to her to confirm the account would be closed. But they said they had decided not to issue a new card, in line with their business policy and process.

Before our investigator considered the case, Argos got in touch to say they had incorrectly told Ms P they hadn't sent her notification of their intention to close the account. Argos offered £50 to be paid to Ms P for the distress and inconvenience caused by this which was in addition to the £20 Argos voucher they had offered.

Our investigator felt Argos' offer was fair. She said she was satisfied Argos had sent Ms P an e-mail giving her notice that they would close her account if it wasn't used within two months. And, as the last activity on the account was in April 2017, their decision to close it wasn't unreasonable.

Ms P didn't agree and mentioned that her preferred method of contact was by post. She said she had no record of Argos sending her an e-mail about closing her account. Ms P also said she wasn't aware that the card had to be used within a six-month period as Argos had claimed and that it was strange that her card had a three-year usage period but a six-month dormancy period.

Our investigator didn't change her view, so Ms P asked for an ombudsman's 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 understand why Ms P is disappointed that Argos closed her account due to inactivity. However, this isn't uncommon where cards haven't been used for long periods of time. I gather there's no dispute that Ms P didn't use her card since December 2016 and that her account had been inactive since April 2017 when she repaid the account in full.

Argos has sent us a copy of the terms and conditions for the account which says under section 10 that *'if you do not use your account we may end this agreement and close your account (by providing two months' written notice), cancel or suspend your right to use your*

account and/or reduce your credit limit if it has been dormant, meaning there have been no purchases or there has been no balance owed to us for at least 6 months'.

I've looked on Argos' website and it directs people to a link for three sets of terms and conditions relative to when the card was taken out. Each version of this has the term I've quoted above contained within them. I'm satisfied the term was applicable to Ms P's account and that it was applied fairly.

I realise Ms P says she didn't receive the e-mail notifying her that Argos would close the account. However, I've seen persuasive evidence from Argos' system that this was sent to Ms P (which we've shared with her). I also note that Ms P had told Argos that her preferred method of communication was by post. However, I think Argos was entitled to send the notification by e-mail, as it had her e-mail address in their records, and I think it was reasonable to assume that Ms P would receive this.

Overall, I don't think it was unreasonable for Argos to have closed the account or that they acted incorrectly in doing so. Argos has said that Ms P can reapply for an account if she wishes which seems reasonable.

Argos has offered Ms P £50 for incorrectly telling her that they didn't notify her of their intention to do close the account, and a £20 Argos voucher in their final response letter. I think this is a fair offer in view of the circumstances and the distress and inconvenience caused to Ms P by Argos' conflicting information.

Putting things right

Argos should pay Ms P a total of £70 as they have offered to do.

My final decision

I uphold this complaint and direct Home Retail Group Card Services Limited trading as Argos Card Services to:

- pay Ms P £50 for the distress and inconvenience caused by incorrectly saying that they didn't notify her of their intention to close her account; and
- send Ms P the £20 Argos voucher as offered in their final response letter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 22 December 2023.

Daniel Picken
Ombudsman