

The complaint

Mr A complains that Argos Limited, trading as Argos Financial Services (“Argos”) have failed to refund items he returned to them.

What happened

In June 2023 Mr A bought two fans and two after care policies. The items cost £217.47 in total. Mr A kept one of the fans costing £65 but he cancelled the others.

Mr A says that Argos failed to refund the balance of £152.47. Argos explained that they had refunded the items against different balances on Mr A’s account, and in line with how they would usually refund things. After Mr A referred his complaint to this Service, however, they accepted that their explanation could have been clearer, and they offered to refund a further £65 plus £34.25 in interest.

Our investigator thought that was reasonable, but Mr A didn’t, so his complaint has been referred to me, an ombudsman, to make 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.

I don’t think Argos have done anything wrong here and I think their offer is fair. I’ll explain why.

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.

The original cost of the items was £217.47 and that amount was still shown on Mr A’s July 2023 statement; I can understand that may have created some confusion. But the terms and conditions of Mr A’s store card account with Argos explain that if the full outstanding balance on the account isn’t paid, any payments made will be applied to the account by firstly clearing the outstanding balance of any Buy Now Pay Later Plan (BNPL) due to expire before the end of the next statement period and that they will then use any additional amount to first pay off balances to which the highest rate of interest applies.

I think that’s what Argos did as the statements and the screen shots I’ve seen of their system information, explain that they allocated the £152.47 refund to clear or reduce the following credit plans:

- £80.95 cleared the 3 months BNPL that was expiring 04 July 2023

- £39.98 reduced the 6 months BNPL of £142.94, expiring 04 October 2023.
- £31.54 reduced the normal credit balance.

Due to the confusion Argos have now also offered to refund the cost of the fan Mr A retained (£65) and the interest of £34.25. In the circumstances, I think that is very fair of them.

I'm not asking them to take any further action.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 September 2024.

Phillip McMahon
Ombudsman