

## **The complaint**

Mr B complains that Home Retail Group Card Services Limited, trading as Argos Financial Services (who I will call Argos) were unreasonable not to write off his debt and that they failed to treat him with due care.

Mr B has been represented in his complaint, but as the credit agreement was in his name I will refer only to him in this decision. I mean no disrespect to his representative when doing so.

## **What happened**

I issued my provisional decision on this complaint in September 2024. An extract from that provisional decision is set out below.

*In February 2023 Mr B asked Argos to consider writing off a debt he had with them as his physical and mental health was poor and deteriorating and he could no longer afford to make repayments.*

*Argos refused to write off the debt as they noted Mr B had been managing his account well, had been making payments towards his debt, and had used it to make a recent purchase. Mr B didn't think they'd taken his ill health into full consideration when they made that decision and he didn't think they'd treated him reasonably given his vulnerability, he thought Argos had harassed him.*

*Mr B escalated his complaint to this Service, but our investigator didn't think Argos had been unreasonable to reject his write off request. He noted that they hadn't been made aware of Mr B's health problems until March 2023 and, thereafter, he didn't think they'd harassed him as they'd only made contact through his elective representatives and hadn't applied any interest or charges as the account had already been defaulted before Argos were notified of Mr B's health concerns.*

*Mr B disagreed so his complaint has been referred to me, an ombudsman, in order to make a decision.*

## **What I've provisionally 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 was very sorry to hear about Mr B's ill health, I'm expecting to uphold his complaint in part and 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.

### **Were Argos fair not to write off the debt?**

*I don't think Argos were unreasonable to reject Mr B's request to write off his debt with them. While business's may agree to do that on occasion, when a consumer's health situation and ability to repay the debt they owe will never improve, I think the fact that Mr B's account was up to date, and that he had been making payments towards it, and had been using it, wouldn't suggest that the situation at the time was such that a write off needed to be approved.*

### **Did Argos treat Mr B fairly?**

*When a business is told about a consumers' financial difficulties I'd expect them to be sympathetic and positive and where it's clear a consumer is vulnerable, as I think is the case here, the business should be sensitive and flexible in their response to the consumer's needs.*

*When Mr B's representatives wrote to Argos in February 2023 to request that the debt was written off, they provided medical evidence of the significant health issues Mr B was suffering from. They complained to Argos that day, and explained:*

*"[...], he has received repeated correspondence from you requesting that he increase his payments and that he seeks debt advice even though you know that we are currently providing that service to him. You are also aware of Mr. B's mental health conditions, which continue to deteriorate, and you are aware that he requires assistance in dealing with his financial matters as explained to you in our previous conversation and correspondence and the medical evidence provided. Yet despite knowing these facts, it has come to our knowledge that you have engaged in negotiations with my client regarding repaying his debt, negotiations which he is unsure of the content of and cannot remember making with you, but which you have referred to in your recent correspondence to him, negotiations which you did not mention to us or discuss with us.*

*My client is currently functioning in a continual state of distress due to his physical and mental health and your conduct over the past few weeks as we have attempted to negotiate with you has worsened his health to the point where he is barely able to communicate with anyone. Indeed, he has now told us that he can no longer accept correspondence from you because the stress of this is having a continual and deleterious effect on his mental health. He is also having to rely on his daughter to communicate with us."*

*On that basis I think Argos should have stopped correspondence with Mr B as it would be likely to exacerbate his condition. They had been provided with medical evidence of the extensive and significant medical conditions Mr B was suffering from. Argos have suggested they did stop correspondence and that they have only communicated with Mr B's representatives since. However, I've seen an email they sent to Mr B in July 2023 about arrears on his account and that doesn't suggest communication was stopped. In Argos's final response letter of May 2023, I can see they promised to stop correspondence for 30 days to enable Mr B to gather information to pursue his write off claim. That also doesn't suggest Argos had, at any point before the May 2023 final response, been trying not to correspond directly with Mr B. Nor does it suggest they were planning not to after the 30-day period had ended. I don't, therefore, think Argos were supportive or sensitive to Mr B's vulnerability as I think the evidence suggests they continued to correspond with him when they were aware of the impact that correspondence was having on his health.*

*Argos have also suggested that they didn't charge interest on the account after they discovered the extent of Mr B's health issues. I don't think that's the case either as the account statements I've seen suggest interest was still being charged after February 2023 and until July 2023. I don't, therefore, think Argos were supportive or sensitive to Mr B's vulnerability as I think the evidence they had been provided suggested he was particularly vulnerable and unlikely to be able to sustainably make payments towards his debt with them. In those circumstances, I don't think it was fair for them to compound the problem by continuing to add interest and fees to the account.*

*So, while I don't think Argos were unreasonable to decline Mr B's request to write off his debt, I don't think they were sensitive or supportive when they were notified of Mr B's significant health issues and his inability to sustain realistic payments.*

*Mr B has clearly been distressed by these issues. His representatives explained to Argos the impact correspondence was having on his mental health. Notes on our file suggest Mr B was referring correspondence from Argos to his daughter. One message explained "[...] I am so confused now U really don't know what I am doing or saying I wish they would just leave me alone and deal with (the representative)". I think it's clear that Argos have caused quite significant distress and inconvenience to Mr B, that has lasted over several months, and I'm asking them to pay him £500 in compensation.*

*I think they should also have stopped interest and charges on his account after they had been made aware of his significant health problems on 23 February 2023. Argos will, therefore, need to ensure any interest and charges they have applied since 23 February 2023 are removed from the account balance.*

*Argos have sold the account to a debt collection company. I don't think that was reasonable given what they knew of Mr B's vulnerability and the need to manage his account sensitively and sympathetically. Argos are best placed to deal with those needs and should, therefore, buy back the debt. If that's not possible they should ensure that the new owner is aware of Mr B's vulnerability and that it puts in place sufficient measures to support him and that the account balance takes into account the refund of interest and charges.*

### **My provisional decision**

*For the reasons I've given above, I'm expecting to uphold this complaint and to tell Home Retail Group Card Services Limited to:*

- Pay Mr B £500 to compensate him for the distress and inconvenience they've caused.*
- Recalculate the balance of the account removing interest and charges that have been applied since 23 February 2023 when Mr B told them of his ill health.*
- Liaise with the company the debt has been sold to and buy back the debt. If that's not possible they should liaise with the new owner and make them aware of Mr B's vulnerability and ensure that appropriate mechanisms are put in place to support him.*

### **The parties' responses to my provisional decision**

Neither party responded to my provisional 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.

As neither party responded to my provisional decision, I have seen no reason to change it. My provisional decision therefore becomes my final decision on this complaint.

### **My final decision**

For the reasons I've given above, I uphold this complaint and tell Home Retail Group Card Services Limited to:

- Pay Mr B £500 to compensate him for the distress and inconvenience they've caused.
- Recalculate the balance of the account removing interest and charges that have been applied since 23 February 2023 when Mr B told them of his ill health.
- Liaise with the company the debt has been sold to and buy back the debt. If that's not possible they should liaise with the new owner and make them aware of Mr B's vulnerability and ensure that appropriate mechanisms are put in place to support him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 October 2024.

Phillip McMahon  
**Ombudsman**