

## **The complaint**

Mr P complains that Home Retail Group Card Services Limited trading as Argos Card (HRG) applied a default to his account and passed his account to a debt collection agency.

## **What happened**

Mr P holds an Argos Card account.

The account fell into arrears in February 2024 due to a returned Direct Debit payment. The account remained in arrears. On 30 September 2024 HRG issued a Default Notice which required Mr P to make a payment of £80.77 by 28 October 2024 in order to prevent further enforcement action.

Mr P contacted HRG by email on 8 October 2024 and said he would clear the arrears by 31 October 2024. HRG said it would note this on his account.

The account was defaulted on 27 October 2024 and was subsequently passed to a debt collection agency.

Mr P complained to HRG. He said he'd agreed to make a payment by 31 October 2024, and he hadn't been told that his account was going to be defaulted.

HRG said the Default Notice had been issued on 30 September 2024 and the promise to pay applied to the account on 8 October 2024 would not stop the default process. It acknowledged that Mr P wasn't made aware that his account would default and apologised for any distress or inconvenience caused.

Mr P remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said that although HRG could've explained things better, she thought their apology was sufficient. The investigator said the account had been in arrears for some time and that HRG had acted in line with the ICO guidelines on defaulting an account.

Mr P didn't agree. He said he'd been advised that it was ok for him to pay on 31 October 2024, and said he'd paid the full outstanding amount on this date. Mr P said that if it had been made clear to him that the account would default, he would've arranged to make payment by the due date.

Because Mr P didn't agree I've been asked to review the complaint.

## **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 P, but I agree with the investigators opinion. I'll explain why.

I've reviewed the history of the account. I can see that the account fell into arrears in February 2024 and remained in arrears until the Default Notice was issued on 30 September 2024. At the time the Default Notice was issued there were more than three months' worth of arrears.

The ICO guidance relating to default states that providers of credit can default an account when there are between three and six months of arrears. The guidance goes on to state that a default will show on a customers credit file for 6 years.

I've reviewed the Default Notice dated 30 September 2024. This makes it clear that Mr P is required to pay £80.77 by 28 October 2024 to avoid further action.

I've reviewed the email that Mr P sent to HRG. He said he would pay the arrears by 31 October 2024. Mr P's email is dated 8 October 2024 so by this time he knew – or ought to have known – that the deadline for payment of the arrears was 28 October 2024 as set out in the Default Notice.

Mr P has said that he wasn't made aware that his account was going to default. Based on what I've seen, the Default Notice contained a clear deadline for payment of the arrears. HRG has acknowledged that Mr P wasn't expressly advised that the account would default notwithstanding his promise to pay the arrears after the deadline. However, on balance, I don't think HRG made an error when it defaulted the account because the account had been in arrears for so long and the appropriate regulatory notices had been sent to Mr P.

I appreciate that Mr P has said that if he'd realised that the account was at risk of defaulting, he would've paid by the deadline. However, there's no evidence that Mr P was in a position to pay by the deadline – if he had been able to do so, he wouldn't have said that he would be making his payment on 31 October, which was after the deadline.

Taking everything into account, there's no evidence to suggest that HRG defaulted the account in error. I appreciate that Mr P may not have understood the implications of the Default Notice and that HRG could've explained things more clearly. However, I'm satisfied that the apology from HRG is sufficient.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 May 2025.

Emma Davy  
**Ombudsman**