



The complaint

Mr M complains that Home Retail Group Card Service Limited trading as Argos Financial Services ("Argos") defaulted his loan agreement.

What happened

In June 2023, Mr M entered into a fixed sum loan agreement with Argos for the purchase of earbuds. He was required to repay a total of just over £400 with monthly repayments of £11.13 over 36 months.

Argos defaulted Mr M's loan in January 2024 as they hadn't received payments towards the agreement since September 2023.

Mr M noticed the default on his credit file and complained to Argos. He said they hadn't sent him notification of their intention to default his account, and he hadn't been making payments prior to that due to difficulties in his personal life. Mr M said to Argos that he'd been forced to move house twice during this period.

Argos didn't uphold Mr M's complaint. In summary, they said the default was a true and factual reflection of how he had managed his account and declined to remove it.

Mr M wasn't happy and referred his complaint to our service. One of our investigators considered the complaint but didn't uphold it. She said Argos was entitled to record the default, and they hadn't been told that Mr M had moved address. So, she didn't think they'd done anything wrong although she did mention that Argos had offered to pay Mr M £30 for incorrectly sending their response to his complaint to his previous address.

Mr M disagreed with our investigator. He said he'd tried to contact Argos to discuss paying his account before they recorded the default, but he was passed to different departments and put on hold constantly, so he wasn't able to do this. Mr M also said he would have repaid the outstanding amount of the loan had he received the letters from Argos saying they would default the account.

As the matter remains unresolved, Mr M's complaint has been passed to me to decide.

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'm sorry to hear of the difficulties Mr M has experienced in his personal life, and that this has been compounded by the default Argos recorded on his credit file.

Argos terminated Mr M's loan agreement after they'd sent letters to him about the arrears that had been building up. I've looked at copies of these letters, the details of which I'll summarise below:

- 4 October 2023 – Notice of Sum of Arrears setting out that Mr M was £34.59 in

arrears

- 7 December 2023 – Default Notice setting out that Mr M needed to pay arrears of £58.50 before 3 January 2024.
- 8 January 2024 – Termination Notice, which amongst other things, explained that Argos may register a default with a credit reference agency for six years.

As a starting point, I think Argos were entitled to send these letters and in the order they were sent. I say this because having looked at Mr M's account statement, it's apparent that he hadn't made a payment towards his account since August 2023. That includes up until the point Argos terminated it.

Mr M says though that he didn't receive any of the letters I've referred to above. And that, had he done so, he would have paid the arrears that had built up. Furthermore, Mr M says he tried to speak to Argos on several occasions about his personal and financial situation but couldn't get through to anyone who could help him.

The letters I've referred to above were all sent to the same address for Mr M. That was also the address he gave to Argos when he entered into the loan agreement with them in June 2023. I've looked at a copy of Argos's account history notes for Mr M which indicates that he spoke to Argos on 12 January 2024 telling them that his address wasn't correct. As the letters leading up to and including the termination notice had already been sent by then, and there isn't persuasive evidence to show that Mr M told Argos that he'd changed address prior to that, I can't see how Argos would have known that he wasn't living at the address they held for him at the time.

So, while it's entirely possible that Mr M didn't receive any of these letters, I'm afraid that I don't find Argos did anything wrong or weren't entitled to act as they did in respect of terminating the account and recording a default. I've considered Mr M's point about trying to contact Argos unsuccessfully. But I've only seen evidence from him in the form of screenshots that he tried to call them twice in November 2023. I don't think that's quite enough for me to say that Argos put unnecessary obstacles in the way of Mr M contacting them and asking for help.

I completely appreciate that Mr M was in the middle of a very difficult time with regards his housing and his overall health. Mr M has sent us details of this including letters from his caseworker and housing charities, which I've taken great care to consider. And I also appreciate that the default on Mr M's credit file is a significant, adverse marker that will remain on his file for six years. But, as I haven't found Argos did anything wrong in the way they handled Mr M's account, I won't be able to compel them to remove the default as I'm satisfied it is an accurate and fair reflection of how the account was run. Argos can of course choose to remove the default if they wish, but that is at their discretion.

I realise this will be disappointing for Mr M, and I do hope that his personal situation has got better. But I'm afraid I won't be upholding his complaint for the reasons I've set out above.

In closing, I would just say that Argos should still pay Mr M the £30 they offered in relation to sending their complaint response to the wrong address, if they haven't already done so.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 25 July 2025.

Daniel Picken
Ombudsman