

The complaint

Mr I complains that Home Retail Group Card Services Limited trading as Argos Card ('Argos') unfairly applied deferred interest to his credit account in relation to Buy Now Pay Later transactions.

Mr I wants this matter resolved as it's causing him a lot of worry.

What happened

On 3 December 2023 Mr I made purchases using his Argos store card and these were repayable under a Buy Now Pay Later plan ('BNPL Plan').

In December 2024 Mr I raised a complaint with Argos that he'd been charged deferred interest which had made his balance much higher. Mr I said he wasn't aware this would happen and he hadn't been given enough time to make a payment.

Argos didn't uphold Mr I's complaint. Argos said they'd not received Mr I's payment before the BNPL Plan ended so they had charged interest in accordance with the terms and conditions of the account.

Mr I felt unhappy with Argos' response and asked the Financial Ombudsman Service to investigate. Our investigator concluded Argos had fairly applied interest in accordance with the agreement, as Mr I hadn't paid his balance within 12 months of making his purchases. Our investigator also considered Argos had offered financial support to Mr I, in line with what he'd expect.

Mr I asked for an ombudsman's decision, saying he'd tried to pay off his balance but Argos had refused to accept this unless the additional interest was cleared.

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've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I am sorry to disappoint Mr I but I have decided not to uphold his complaint, for broadly the same reasons as our investigator.

When Mr I entered his agreement with Argos he accepted to be bound by the terms and conditions of the account. These set out the terms of buying items under a BNPL Plan, namely that interest would be charged if the purchases weren't paid off before the BNPL Plan ended.

I recognise Mr I says he didn't not understand the terms and conditions but I think it was Mr I's responsibility to ensure he understood the terms he was agreeing to before entering the agreement.

The terms say, *"if you do not repay the balance of this BNPL plan in full by the end of the BNPL plan period deferred interest will be charged at the normal credit rate."*

They also say *"for a BNPL Plan, we will remind you in the month before it ends that the BNPL Plan is coming to an end. Where relevant, we will also tell you the amount you have to pay, and the date by which payment must reach us, to avoid deferred interest being added to your normal credit balance."*

Mr I's statements of account show how the balance of £1,390 was due to be paid by 30 November 2024, failing which interest would be applied. I've seen from Mr I's statements that interest was applied on 2 December 2024, which I think was fairly applied in line with the terms and conditions of his account.

I acknowledge Mr I feels this didn't give him a full 12 months to make his payment, which he feels was unfair. However I think the terms and conditions are clear that payment needs to be made by the date Argos provide, in order to avoid interest. There is nothing to say this must be 12 months exactly from the date of purchase.

Even if I agreed that a full 12 months to pay should have been provided, I've not seen evidence that Mr I was able to pay £1,390 before 3 December 2024. So I don't think any misinformation about the deadline for payment would affect whether the interest has been fairly applied here.

Mr I said he and his wife had spoken with Argos to try and make a payment and this had been refused. I've listened to calls from 11 December 2024, 19 December 2024 and 30 December 2024 in which payment was discussed, but this was after the BNPL Plan ended. It's clear from the calls that to pay £1,390 Mr I and his wife would need to borrow money from elsewhere, so I can't say they were ready to make a payment at the time and that Argos had refused to take a payment.

Mr I wanted Argos to accept £1,390 and waive the interest. I don't think it was unreasonable for Argos to refuse to waive this, given the interest had been fairly applied.

I was pleased to hear in the calls that Argos were willing to discuss ways they could support Mr I given he was unable to pay the minimum payments, and they offered to discuss a payment plan as a way forward.

In these circumstances I don't think Argos treated Mr I unfairly, and so I've decided not to uphold Mr I's complaint.

I am sorry to hear of the troubles Mr I is facing and the worry this matter has caused. I encourage Mr I to continue to talk to Argos about ways he can manage his account. Mr I can also contact an organisation providing free and reliable debt advice such as the Citizen's Advice Bureau. They can be contacted online or by telephone on 0800 144 8848 (free from landlines and mobiles).

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 2 September 2025.

Clare Burgess-Cade
Ombudsman