

The complaint

Miss T complains that Home Retail Group Card Services Limited trading as Argos Card irresponsibly lent to her.

What happened

Miss T was approved for an Argos card in December 2019, with a credit limit of £200. Miss T says this was irresponsibly lent to her. Miss T made a complaint to Argos, who upheld the irresponsible lending complaint. Miss T brought her complaint to our service as she said the lending cost her job opportunities and Argos should pay her a distress and inconvenience payment.

Argos told our service that when they upheld the irresponsible lending, they miscalculated the redress which led to a shortfall, therefore they would also offer Miss T £50 for the distress and inconvenience of this in addition to paying her the shortfall. Miss T rejected the offer from Argos.

Our investigator said that Argos' offer was fair as it was in line with what we would ask them to do. Miss T asked for an ombudsman to review her complaint. She said she would send us her credit file, and she said she was told by a prospective employer that due to long standing debt (which she says she only had Argos debt at the time), that she was a financial risk.

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.

Miss T has said that she would send us her credit file for me to review, but she's been unable to provide this by the deadline set, even though the deadline had been extended for her based on the health issues she told us about. So I'm unable to review this. But even if Miss T had provided me with her credit file, it's unlikely that this would have resulted in me asking Argos to pay a distress and inconvenience payment.

I say this as Argos deemed the lending was fair originally. Argos received credit scores from a Credit Reference Agency (CRA), which indicated that she wasn't overindebted. It was only when Miss T sent Argos her bank statements, they agreed that the lending was irresponsible. And I'm not minded to interfere on this point as both parties agree the lending was irresponsible.

I've considered what Miss T has said about the lending decision impacting job opportunities for her. I asked Miss T if she had any acceptance emails from the company who told her she was a financial risk, but Miss T told me she was advised of this over the phone, and she didn't request this in writing as she didn't see any way forward with the prospective company.

I understand why Miss T didn't ask for this, and I'm sorry to hear of her experience. But in order to even consider compensation here, I'd need evidence that she had been accepted

for the job, then for the company to withdraw the job offer based on solely the Argos debt. Without any documentation from the prospective employer that the Argos account was the sole issue Miss T didn't get the job, it would not be proportionate for me to award any distress or inconvenience payment on this point.

But as Argos miscalculated the redress for Miss T, this would cause her distress. So I do think it's fair for Argos to pay Miss T compensation for this. But I have to consider the amount of distress this would reasonably cause Miss T.

The £50 that Argos offered is line with our awards for what happened here. So I am persuaded that the £50 compensation is fair. To ensure that Argos settle the complaint in line with how I would have asked them to settle the complaint, I will set out below what I expect them to do, but Argos don't need to take any specific action they have already taken, they only need to act on the actions below that they haven't taken.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I have directed at the end of this decision results in fair compensation for Miss T in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

Argos have not carried out the exact redress that I would expect them to carry out when an irresponsible lending complaint is upheld. So I've set out below the actions I expect Argos to have taken, and when they have not taken an action, they should do so.

My final decision

I uphold this complaint. Home Retail Group Card Services Limited trading as Argos Card should take any actions below that they haven't already taken:

Argos should arrange to transfer any debt back to themselves if it has been passed to a debt recovery agent or liaise with them to ensure the redress set out below is carried out promptly;

Rework the account removing all interest, fees, charges, and insurances (not already refunded) that have been applied;

If the rework results in a credit balance, this should be refunded to Miss T along with 8% simple interest per year* calculated from the date of each overpayment to the date of settlement. Argos should also remove all adverse information regarding this account from Miss T's credit file;

Or, if after the rework there is still an outstanding balance, Argos should arrange an affordable repayment plan with Miss T for the remaining amount. Once Miss T has cleared the balance, any adverse information in relation to the account should be removed from Miss T's credit file;

Pay Miss T £50 for distress and inconvenience.

**If Argos considers that they are required by HM Revenue & Customs to deduct income tax from that interest, they should tell Miss T how much they've taken off. They should also give Miss T a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 9 September 2025.

Gregory Sloanes
Ombudsman