

The complaint

Mr E complains Home Retail Group Card Services Limited trading as Argos Financial (“Argos”) defaulted his store card account.

What happened

Mr E held a store card with Argos. In October 2024, Argos defaulted the account, on the basis it hadn’t received a payment towards the outstanding balance since June 2024.

Mr E consequently complained. He said he hadn’t received a notice of default, so it was unreasonable for Argos to default the account. Mr E said he received a statement dated 4 October 2024, and it made no mention of the account being defaulted. So, Mr E asked that Argos agree to remove the default from the account and his credit file.

Argos doesn’t agree it’s done anything wrong. It says it issued a notice of default on 6 September 2024, which explained a payment of £138.59 needed to be made by 4 October 2024, or the account would be defaulted. As no payment was received, Argos says it was entitled to terminate the agreement and record a default with credit reference agencies (CRAs).

Unhappy with Argos’ response, Mr E referred his complaint to the Financial Ombudsman. One of our Investigator’s looked into what happened and thought Argos was reasonable in the steps it had taken. He said Argos had issued the notice of default to the address it held for Mr E, and as it hadn’t received the required payment, it was entitled to default the account.

Mr E disagreed with our Investigator’s opinion. He said he’d updated his address with Argos in December 2023, so it had sent the notice of default to the wrong address. Our Investigator acknowledged Mr E had placed orders to different addresses but didn’t think there was evidence to show Mr E had updated his correspondence address with Argos.

As the matter wasn’t resolved, the 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’ve given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

I’ve started by considering whether Argos was fair in its decision to default Mr E’s store card. The Information Commissioner’s Office (ICO) says that when a consumer is at least three months behind with their payments then a default may be registered. It also says it would expect a default to be registered by the time the consumer is six months behind with their payments. That’s what happened here.

Mr E was in a sustained period of arrears – beginning in June 2024 with no payment being made to remedy the breach in the default notice issued in September 2024. Because of this Mr E's store card account was closed and a default reported to the CRAs.

Therefore, it appears, Argos complied with the guidance set out by the ICO and was reasonable in its decision to default the account given the persistent state of arrears.

Argos is also required to report accurate information to the credit reference agencies to reflect how a person has managed their account. I'm satisfied that Capital One reporting missed payments and a default is an accurate reflection of how Ms M has managed the account, and so I don't find the reporting to be unfair or inaccurate.

While this is the case, Mr E says Argos failed to issue the notice of default correctly as it sent this to a previous address, meaning he didn't receive it. In considering this point, I haven't been provided evidence to show that Mr E updated his address with Argos before the notice of default was issued. While I appreciate Mr E placed orders with a different delivery address, Argos has provided evidence to show that Mr E last updated his correspondence address in 2022, and this was the address it issued the notice of default to. So, while Mr E may not have received the notice of default, I haven't found this was due to an error made by Argos as it wrote to the correct address it held. I would also note that Mr E has submitted statements to this Service after the notice of default was issued, which were also sent to his previous address, which suggests these were received.

Mr E also says that although he received SMS messages from Argos about his account, as he didn't recognise the number these came from, he ignored these messages. While I appreciate Mr E was cautious as phishing messages have become prevalent, however having received a number of messages, I think it would have been reasonable for Mr E to contact Argos to confirm whether these were genuine. I also appreciate on some correspondence Argos may have provided an out of date contact number, however as its contact details are readily available online, I don't think this prevented Mr E from being able to contact Argos.

I've also given consideration to Mr E's concerns that Argos defaulted his agreement on 3 October, when he says this should have been 4 October. Argos' notice of default set out that it required payment before 4 October. So having not received a payment to remedy the breach by the end of 3 October, I don't then find Argos was wrong to default the account on this date.

In conclusion, while I appreciate this won't be the answer Mr E is hoping for, I haven't found Argos acted unreasonably. As the account was in arrears it was entitled to issue a notice of default and did so to the address it held for Mr E. As no payment was received by the date set, I find Argos was therefore reasonable in its decision to default Mr E's account. As a result, I won't be asking Argos to do anything further in relation to this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 January 2026.

Christopher Convery
Ombudsman

