

The complaint

Miss A complains that Home Retail Group Card Services Limited trading as Argos Financial Services ('Argos') prevented her from paying off her store card and didn't support her to reduce her debt. She's unhappy with how Argos communicated with her.

Miss A seeks a refund of interest, and an interest freeze to put things right.

What happened

Miss A contacted Argos several times in April and May 2025 and received conflicting information about whether she could pay off her store card debt with a balance transfer deal offered by her credit card provider. Miss A tried to arrange the balance transfer but this wasn't possible with her provider. Miss A tried with another credit card provider and the same error occurred.

Miss A complained about the lack of support she'd had when trying to manage her debt and she was upset to receive a persistent debt letter in response to her phone calls.

Argos accepted Miss A hadn't received call backs when requested and offered £25 compensation. They didn't agree they'd got anything wrong with the persistent debt process, or with the balance transfer.

Miss A asked the Financial Ombudsman Service to review her complaint. At that stage, Argos agreed to increase their offer of compensation to £50, to reflect they'd given conflicting information about whether a balance transfer was possible. Our investigator thought this was a fair and reasonable resolution to the complaint, but Miss A disagreed and sought an ombudsman's decision.

My provisional decision

I recently issued my provisional decision, saying:

"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 intend to say Argos should pay £100 compensation to Miss A for her distress and inconvenience, but I don't intend to ask them to do more than this. I'll explain why.

Miss A's final response letter suggested the balance transfer issue was with Miss A's credit card provider rather than with her store card, and I have noted that Miss A's credit card provider says balance transfers aren't always possible with store cards. I'm not minded to say there's evidence Argos prevented the balance transfer, though I'm inclined to agree they communicated poorly about it. I'm not persuaded it's fair to ask Argos to refund or waive interest on Miss A's account in these circumstances as I'm minded to say it has been applied

in accordance with her terms and conditions.

I'm minded to say Argos' communication about the balance transfer was unfair and caused Miss A avoidable distress and inconvenience, as she was in constant back and forth communications with Argos and her credit card provider. Argos told Miss A the balance transfer was possible on 25 April 2025, wasn't possible on 20 May 2025, was possible in the first call on 23 May 2025, then wasn't possible in the final call on 23 May 2025. Miss A also had two calls with Argos trying to speak with agents who'd phoned her outside of requested call times.

Miss A's unhappy with the level of support she's been provided. I would expect Argos to explore ways of supporting Miss A if she was struggling to meet the payment terms set out in her agreement, or was in arrears. I am mindful that when Miss A sought help she wasn't having trouble maintaining her minimum payments and wasn't in arrears. Given Miss A met the definition of persistent debt, I am minded to say it was reasonable for Argos to set out the persistent debt process they were following when speaking with Miss A.

Miss A says she didn't receive any letters about persistent debt until after she'd sought Argos' help. I can understand why Miss A was frustrated and upset by this given she'd not been able to pay off her store card with a balance transfer. I'm minded to say it's coincidence that a letter was sent at the time Miss A had sought assistance. I'm inclined to say it's likely Argos sent persistent debt letters to Miss A's correct email address at the expected intervals, as this is what is recorded by their system.

Miss A informed Argos that she couldn't pay more than the minimum payment, so the persistent debt options weren't viable for her. I am minded to say Argos missed an opportunity to support Miss A by signposting her to sources of independent financial advice during the phone calls, although the persistent debt letter did set out a helpful organisation.

I've kept in mind that Miss A knew there were alternative ways of managing her debt with Argos. During the call on 20 May 2025, Miss A identified that she could use a credit card to withdraw cash – or do a money transfer – where she'd be charged a 3% fee but would be able to pay off her store card with Argos. So I'm minded to say Miss A could have mitigated the impact of the interest being applied to her account, although she'd have preferred no fees.

For the reasons I've given, I am minded to say Argos caused Miss A avoidable distress and inconvenience when getting to the bottom of this matter. I intend to say £100 is a fairer sum of compensation to reflect this, following the guidelines the Financial Ombudsman Service applies."

Responses to my provisional decision

I asked the parties for any additional comments or evidence they'd like me to consider, before I made any final decision.

Argos responded to say they accepted my provisional findings. Miss A didn't provide anything further for me to consider.

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 haven't been provided with anything further to consider, and I haven't changed my mind about how this complaint should be resolved. I think it's fair and reasonable that Argos pay

Miss A £100 compensation for her distress and inconvenience. I adopt my provisional decision, copied above with my reasoning, as my final decision.

Putting things right

Home Retail Group Card Services Limited trading as Argos Financial Services must pay Miss A £100 (in total) for her distress and inconvenience.

My final decision

For the reasons I've outlined, Home Retail Group Card Services Limited trading as Argos Financial Services must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 30 December 2025.

Clare Burgess-Cade
Ombudsman