

## **The complaint**

Mrs P complains that Home Retail Group Card Services Limited trading as Argos Card failed to contact her regarding persistent debt.

## **What happened**

Mrs P holds a credit account with Argos Card. She's unhappy about the following issues:

Argos Card failed to contact her or support her regarding persistent debt

The deferred interest on her Buy Now Pay Later plan expired earlier than agreed

She was charged different amounts of interest despite making larger payments to the account

She was charged interest despite being in an arrangement

Mrs P complained to Argos Card.

Argos Card didn't uphold the complaint. In its final response it said it had issued correspondence to Mrs P about persistent debt, but she hadn't taken any action in response, so the account was suspended. Argos Card said the BNPL hadn't ended earlier than 12 months and that interest had been applied in line with the terms and conditions of the account.

Mrs P remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said that Argos Card had acted fairly when informing Mrs P about persistent debt. They also said that Argos Card had acted fairly in the application of deferred interest and the application of interest generally.

Mrs P didn't agree so I've been asked to review the complaint.

## **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 know it will disappoint Mrs P but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

### Persistent Debt

Persistent debt occurs where over an 18-month period, a credit/store card user pays more in

interest, fees and charges than towards the original borrowed amount. The Financial Conduct Authority (FCA) rules on persistent debt require lenders to notify customers and suggest higher payments to them. If a customer fails to act over 36 months, this can lead to card suspension.

The FCA rules require lenders to write to customers at 18 months, 27 months and 36 months.

I've reviewed the correspondence that Argos Card sent to Mrs P. I can see that letters regarding persistent debt were sent to Mrs P on 16 July 2019, 16 April 2020 and 15 January 2021. In the letters, Argos Card advised Mrs P that she was in persistent debt and suggested that she increase her payments.

I can't see that Mrs P took any action in relation to the letters. The account was suspended on 16 March 2021.

Based on what I've seen, I'm satisfied that Argos Card complied with the FCA rules on persistent debt and treated Mrs P fairly by sending appropriate correspondence to Mrs P at the relevant intervals of 18, 27 and 36 months.

#### BNPL deferred interest

Mrs P has complained that Argos Card began applying interest before the deferred period had come to an end.

I've reviewed the statements of account. I can see that Mrs P made a purchase under BNPL on 29 November 2018. The statement confirms that the BNPL period will end on 14 December 2019 and that the deferred interest would be £188.68 if not cleared before the end of the BNPL period.

I've reviewed the statements and I'm satisfied that the BNPL continued for the full 12 months. I can't see that Mrs P made any payments. Because of this, I'm satisfied that the interest applied to the account on 16 December 2019 was correctly applied in line with the terms and conditions of the BNPL plan.

#### Interest

Mrs P has complained that she was charged different amounts of interest despite making larger payments to her account. She's also unhappy that she was charged interest whilst in a payment plan.

I've reviewed the statements of account. During the period February 2022 to April 2022 (which is the period that Mrs P complains about) I can see that Mrs P made a payment of £35.07 in February 2022, £32.37 in March 2022 and £34.33 in April 2022. The interest charged in March 2022 was more because the payment made to the account was less than the months either side of March 2022. The interest rate was the same throughout at 29.9%.

Based on what I've seen, I haven't found any evidence to suggest that Argos Card has applied interest incorrectly.

Mrs P had a payment arrangement from August 2021 to December 2021. I've reviewed the statements of account, and I can see that interest wasn't applied whilst the payment arrangement was in place. Once the arrangement came to an end in December 2021, the usual terms and conditions applied and interest was charged. Based on what I've seen, I'm not persuaded that Argos Card made an error.

## Forbearance

Mrs P has said that she wasn't offered support from Argos Card. I've reviewed the statements of account and I can see that, on the occasions where Mrs P asked for assistance, Argos Card has put something in place to support her, for instance a payment holiday or a payment plan. I can also see that Argos Card signposted Mrs P to an organisation which offered additional assistance with her finances. Based on what I've seen, I'm satisfied that Argos Card treated Mrs P fairly and offered her appropriate support.

Taking all the available information into account, I'm unable to say that Argos Card has made an error or treated Mrs P unfairly. I won't be asking Argos Card to do anything further.

## **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 27 April 2026.

Emma Davy  
**Ombudsman**