

## **complaint**

Mr J complains that Home Retail Group Card Services Limited, trading as Argos, took too long in registering a default on his credit file. They originally registered it in 2015 when he had arrears on his credit card from 2013. They then removed the default and registered the repayment plan that they had entered into with him.

Mr J wants a default to be registered on his account backdated to 2013.

## **background**

Mr J got an Argos credit card in 2008.

In 2012, he fell into financial difficulties and eventually entered into a debt management plan in around January or February 2013.

After entering into various repayment plans with Argos, they eventually sent him a default notice in February 2015. This was followed by them registering a default on Mr J's credit file in 2015.

In 2017, Mr J found that his account showed the default and asked Argos to backdate it to 2013. Argos looked into his request and found that they shouldn't have registered a default at all. They removed the default and gave Mr J £100 compensation for their error.

Mr J says that he was then in a worse position than had Argos left the default on his credit file. He says that his credit file showed that he had arrears on his Argos account. Because of the rate of his repayments, it was unlikely that Mr J would ever clear his debt. He says that this meant that his credit file would always show this debt whereas, had he had a default registered in 2013 when he had been in financial difficulties for some time, it would have been cleared from his credit file in six years.

Mr J came to us. Our investigator found that Argos should've left the default on the account and backdated it to December 2013. He thought that the £100 compensation that Argos had paid was fair for the inconvenience of recording inaccurate information.

Argos didn't agree with this so the complaint has now come to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm afraid Argos won't be happy with my decision. I think that the default should be registered on Mr J's credit file and backdated to December 2013. I will explain why.

The debt repayment plan that Mr J entered into effectively means that he unlikely to repay his debt in full. This means that it will remain on his credit file, perhaps, for the rest of his life. I don't think that this is fair.

In particular, I think it's unfair that he would then be in a worse position than someone who hadn't even tried to repay their debt. For this person, a default would've been entered which would've been taken off their credit file in six years.

I think that Mr J has tried to repay his debt so he shouldn't be left in a worse position than someone who hasn't. So, I think that a default should be registered on Mr J's credit file.

So, the next step is to say when the default should've been registered. Mr J contacted Argos in December 2013 asking for his repayments to be reduced. At this point, he hadn't managed to pay much off his debt (only around £100). This was almost a year on from entering into the debt repayment plan. So, at this point, I think Argos should've realised that Mr J's situation wasn't going to improve. And it is at this point that they should've registered a default.

Argos has offered Mr J £100 in compensation for having registered a default. As inaccurate information was recorded (the default should've been registered in December 2013), I think that this is fair compensation for the distress and inconvenience that Mr J's has suffered.

### **my final decision**

For the reasons given above, I require Home Retail Group Card Services Limited, trading as Argos, to:

1. register a default on Mr J's credit file and backdate it to December 2013;
2. pay Mr J £100 compensation for the distress and inconvenience suffered if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 16 May 2019.

Rita Parmar  
**ombudsman**