

## **complaint**

Miss S complains about a default Home Retail Group Card Services Limited (trading as Argos) recorded on her credit file. She says it's made an error. The default isn't a true reflection of the way she's managed her account. She wants it removed.

## **background**

Argos said in its final response that the terms and conditions of the Argos Card say payments must be made by the date requested on statements. And failure to pay on time can detrimentally impact on the account and affect future borrowing. The account's management will be reflected on the credit file. It issued a statement on 2 December 2013 clearly saying a minimum payment of £56.97 would be collected by direct debit on or just after 31 December 2013. Its records show that this payment was returned unpaid by Miss S' bank. A £12 late fee debt adjustment charge was applied to the account. The direct debit set up on the account would only take the minimum payment and any arrears would have to be paid via an alternative method. Later statements showed the minimum payments due and what was also due immediately. As a result of non payment a default notice was issued on 2 July 2014. As payment wasn't received a default was recorded on 17 August 2014. The account has since been paid off in full and closed. It's now shown as settled rather than satisfied. The default is a true and factual record of how the account was managed.

Our adjudicator felt this complaint shouldn't be upheld. She said:

- The information in Argos' the final response is accurate.
- Miss S says it's Argos' fault she missed the payment on 31 December 2013 as it didn't call for it using the direct debit. And she didn't incur a bank charge for an unpaid direct debit which shows the payment wasn't called for. But her bank statements show there wasn't enough money in the account to make this payment. It was overdrawn over its limit. The fact the bank didn't charge for this doesn't show it wasn't called for. In any event the payment wouldn't have been made.
- It doesn't appear this payment was ever made. The subsequent Argos statements show the arrears existed. And Miss S spoke to Argos in both February and March 2014. She was aware of the arrears and that they wouldn't be called for as part of the normal direct debit process. The arrears weren't paid.
- The monthly payments for both May and June 2014 were returned unpaid by Miss S' bank. There wasn't enough money in the account to pay them. At that time the account was in arrears equal to three monthly payments.
- A default notice was issued on 2 July 2014. Miss S says she doesn't recall receiving it. But Argos has provided screenshots demonstrating it was issued and the information that was contained on it. The notice said a payment of £190.67 was needed within 14 days to avoid registration of the default.
- Miss S says she didn't receive the default notice but that's not Argos' fault. She's also said she would've remedied things if she'd been told of the account being at a critical point. After seeing bank statements Miss S wasn't in a suitable position to remedy the default notice. She says she'd enough money in a savings account and could've done so by transferring money from it. But that doesn't seem to be the case.

- On the 17 August 2014 Argos correctly recorded the account as having defaulted with an outstanding balance of £1,229.20. This was a true and accurate reflection of the account. So, there's no basis for her to recommend it should be removed from Miss S' credit file.

Miss S says in summary that she'd enough money available for a number of days to have remedied the default notice. If she'd known about it she would've rescheduled some other payments. She questioned whether Argos would remove the default as a goodwill gesture given her long and generally good history with it over many years.

The adjudicator responded that even if Miss S had paid she would've been left in financial hardship. She didn't think Miss S was in a position to remedy the default notice.

Argos says it won't remove a default from customer's credit report as a gesture of goodwill in any instance. As a responsible lender it's obliged to record a true and accurate reflection of how the account has been managed.

Miss S has asked for an ombudsman review.

### **my findings**

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

Miss S has provided detailed and numerous submissions to support her complaint. I've read and considered them all. But my findings are expressed in considerably less detail. And they focus on what I think are the main issues.

I agree with the adjudicator's conclusions for the same reasons.

Overall I think Argos sent the default notice to Miss S. It's not its fault if she didn't receive it or was out of the country at the relevant times. The simple fact remains that Miss S didn't remedy it in time by paying back the amount owed.

I also think Argos adequately explained to her that the direct debit would only be used to claim the minimum payment due and also the effect of not meeting her obligations. This information was contained in various places in the documents she was sent including the account's terms and conditions, statements and in the default notice too.

Miss S says she'd money available in a savings account to remedy the default notice. But I'm not persuaded that was necessarily the case or that if she'd some money available for a few days she would necessarily have paid it to Argos as she clearly had other pressing debts and financial difficulties at the time.

Overall I don't think Argos has treated Miss S unfairly as she's suggested. As it's said it has an obligation to record accurate and true information about the conduct of Miss S's account. On balance I think it's done so in this case by recording the default.

Although I recognise Miss S' strength of feeling and frustration I don't think I can fairly or reasonably require Argos to remove the default from her credit file as she'd like. And I don't see any compelling reason to change the proposed outcome in this case.

**my final decision**

I don't uphold this case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 November 2016.

Stephen Cooper  
**ombudsman**