

Your Argos Card Credit Agreement – An Explanation



This document explains important features of the Argos Card credit agreement that you are thinking about entering into. We'd like you to read this information carefully before you continue. Together with the Pre-Contract Credit Information document, this will help you decide whether the Argos Card is right for you.

If you have any questions, or would like more information about any aspect of the Argos Card agreement, please contact us on **03456 400 700**.

Important Information:

The Argos Card is a **store card**. You can only use it to buy goods in Argos, Sainsbury's and selected other retailers, up to your credit limit, and repay the cost over a period of time.

Each month you'll get a statement showing how much is outstanding on your Argos Card. You'll need to pay back at least the minimum payment shown on your statement. It's up to you to decide how quickly you pay for your purchases but please remember, **if you only pay the minimum monthly contractual payment each month, it will take longer and cost more to repay your debt. You may also end up in 'persistent debt' meaning we have to take steps to encourage you to pay more (for more information, please see under the heading 'Your minimum monthly contractual payments' and 'Persistent debt' in your Agreement).**

The Argos Card is **not suitable**:

- For long term borrowing, as there may be cheaper options available to you.
- If you are experiencing financial difficulties, or likely to experience difficulties in the near future.

About the Argos Card:

The APR for your agreement is 39.9% variable. (Please refer to 'The APR and Total Amount Payable' and further condition 9 in your Agreement to see how this is calculated and in what circumstances that this rate may change.) The rate of interest for your agreement is 39.9% (variable). This is the interest rate that will apply to any balance that isn't covered by a Buy Now Pay Later (which we call 'BNPL' Plan (a 'BNPL Plan') (see below).

From time to time we may offer you a BNPL Plan. Once a BNPL Plan expires, any remaining balance will move to Normal Credit and the above rate will apply (for more information, see below under 'BNPL').

If you pay off your Normal Credit balance in full, by the date shown in your monthly statement, you will not be charged any interest. If you choose to spread the cost of repayment over a longer period of time, we'll charge interest daily on your balance at the above rate. Your Normal Credit balance is the balance which excludes any purchases made using a BNPL Plan but will include any balance of such a plan which is not paid by the end of the BNPL Plan Period.

Buy Now, Pay Later (BNPL):

With BNPL, depending on how much you spend, you can get between 3 and 12 months where you don't have to make any payments (which is the 'BNPL Plan Period'). If you repay the balance of a BNPL Plan in full before the end of the BNPL Plan Period, no interest will be charged on the amount you borrow under the BNPL Plan (but you may be charged interest on any Normal Credit balances).

If you do not pay the balance in full by the end of the BNPL Plan Period, we will:

- move the outstanding balance into Normal Credit,
- add any Deferred Interest into Normal Credit as a lump sum ("**Deferred Interest**" is interest at the Normal Credit Rate calculated on the remaining balance of your BNPL Plan for the whole period of your BNPL Plan. Unless your Normal Credit balance is repaid in full, interest will be charged on the Deferred Interest meaning you will pay interest on interest).

The amount of Deferred Interest will be used to calculate part of your minimum monthly contractual payments by dividing it by the same number of months as the BNPL Plan Period (the "DI Portion"). The DI Portion will then be added to your minimum monthly contractual payment each month for the same number of months (for example, if Deferred Interest of £30 was charged on a BNPL Plan Period of 3 months then the DI Portion would be £10 (ie £30 divided by 3) and will be added to your minimum monthly contractual payment for 3 months).

If you don't think you'll be able to fully pay your BNPL balance by the end of the period, and you wish to reduce the amount of Deferred Interest you will pay, you should try and pay back as much as you can **no later than the end of the BNPL Plan Period**.

The cost of credit:

To try and show you how much you may pay using the Argos Card, here are some examples (based on a Normal Credit interest rate of 39.9%):

- If you made a purchase of £150 on a 6 month BNPL Plan and paid the balance off in full before the end of the BNPL Plan, £0 interest would be applied.
- If you made a purchase of £150 on a 6 month BNPL Plan and made 12 payments of £14.28 starting one month after the purchase, you would end up being charged approximately £21 interest (of which approximately £13 would be Deferred Interest).
- If you made a purchase of £150 on a 6 month BNPL Plan and paid nothing off during the BNPL Plan Period, then made 6 payments of £31.35 starting 6 months after the purchase you would end up being charged approximately £38 interest (of which approximately £26 would be Deferred Interest).

The representative examples above assume there are no other balances on the Argos Card and that the repayment figures include any contractual minimum payments.

If you have a Normal Credit balance then you are required to make a minimum payment by the payment date set out in your statement every month. This will be made up of a percentage of your balance, any interest charged and any fees or other charges incurred. The way we calculate your minimum monthly contractual payment is explained in the 'Conditions applicable to your account' section in your Agreement and Further Conditions.

What happens if I don't make payments when they are due?

We encourage customers to let us know immediately if they are having difficulty making any payment that is due, so we can help them get back on track – missing payments can have some serious impacts on your finances:

- if you don't make a minimum payment in full and on time, we may add a £12 late payment fee to your account;
- we may end your credit agreement with us if you fail to pay any amounts when due under the agreement, and furthermore if you miss two consecutive minimum monthly contractual payments, any Plans on your account may come to an end; the balances will move to Normal Credit and interest will be charged;
- we routinely report missed payments to credit reference agencies; this could affect how other lenders view your creditworthiness and make it more difficult for you to get credit in the future;
- if your account is terminated, we could take action through the courts to recover any unpaid debt. Court action can be costly and would be likely to increase the amount you have to repay.

Credit Reference Agencies:

By submitting an application for credit, you are giving us permission to carry out a credit search which will be recorded on your credit file. This could affect your credit rating and your ability to get further credit from us or anyone else. Multiple credit searches can also have a negative effect on your ability to get further credit.

Withdrawing from the Agreement:

You have a right to withdraw from the agreement, without giving a reason, by contacting us at Home Retail Group Card Services, Department A001, PO Box 211, Huddersfield, HD8 1FA or calling us on 03456 400 700. The right to withdraw begins the day after the day on which you receive your card and lasts for 14 days. Once you have exercised your right to withdraw, if you have used your card, you must repay the balance and any interest due to the date you make the repayment.