

The complaint

Mr P is unhappy with the service that he's received from Marks & Spencer Financial Services Plc ("M&S") surrounding M&S not applying a paid cheque to his account.

What happened

Mr P paid a cheque for £500 from his current account into his M&S account. Mr P then noticed that while the £500 had left his current account, it hadn't been credited to his M&S account.

Mr P contacted M&S about this but the person he initially spoke with wasn't helpful. In a later conversation, M&S explained to Mr P that in order to trace where the £500 had gone they would need Mr P to provide the sort code and account number of the account from where the money had been paid. Mr P wasn't happy about this as he felt that M&S should have all the information needed to trace the money already, so he raised a complaint.

M&S looked at Mr P's complaint. They initially reiterated that they needed the sort code and account number from the sending account in order to trace the funds. Then – when Mr P provided this information to M&S, and following M&S successfully locating the money and crediting it to Mr P's account – M&S explained that an incorrectly inputted reference number had meant that they'd been unable to recognise to which account the funds should have been applied and apologised to Mr P for what had occurred. M&S also reimbursed the interest and charge that had been applied to Mr P's account erroneously in the absence of the £500 payment and offered to pay Mr P £50 compensation the inconvenience and upset the matter had caused.

Mr P didn't feel that M&S's offer of compensation went far enough, so he referred his complaint to this service. One of our investigators looked at this complaint. But they felt that the response that M&S had already issued to Mr P, including the apology and the offer of compensation, already represented a fair and reasonable response to what had taken place.

Mr P remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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 issued a provisional decision on this complaint on 31 March 2022 as follows:

I can appreciate how it must have been frustrating for Mr P to have paid money into his M&S account, only for that money to have not been credited to his account and to seemingly have been misplaced by M&S. And I can further appreciate how that frustration would have been compounded by what Mr P perceived as the less than helpful attitude of the first member of M&S's staff that he spoke to about this matter.

In circumstances such as this, it would be expected that M&S would seek to locate the missing money as quickly as possible, and to advise Mr P of any additional information they may require in order to do so. After Mr P's initial conversation with M&S, it appears that M&S did that here, and they explained to Mr P both verbally and in writing that they needed Mr P to confirm the sort code and account number of the sending account in order to attempt to trace the money.

I can appreciate how it must have been frustrating for Mr P to have been asked for this information, but I find it very difficult to conclude anything other than had Mr P given this information to M&S when they first asked for it, that M&S would then have been able to resolve this matter sooner than ultimately was the case. So, while I acknowledge that M&S didn't provide the standard of service that they aspire to here – which M&S themselves have also acknowledged – I don't feel that M&S can be reasonably held solely responsible for the totality of the time that the £500 was missing from Mr P's account.

When Mr P did provide the requested information to M&S, it's notable that M&S were then able to locate the money in good time and to transfer the money to Mr P's account. M&S also agreed to reimburse to Mr P's account the interest and charges that had been incurred on the account as a result of the money not being applied to the account when it first should have been. This feels fair to me, and so I'm satisfied that M&S have implemented fair and reasonable corrective action to put Mr P's account back into the position it should have been in, had this issue never occurred.

Additionally, M&S apologised to Mr P for what had happened and offered to make a payment of £50 compensation to him. And M&S have recently offered to increase this amount of compensation by a further £75, so that a total of £125 compensation is being offered to Mr P for the trouble and upset that he's incurred.

Matters of compensation can be subjective, with an offer considered as being fair and reasonable by one party not being considered as being such by someone else. But I must note that the £125 that M&S have offered Mr P does feel fair to me, given the circumstances here, and I can confirm that it's commensurate with what I would instruct M&S to pay in these circumstances had no offer of compensation been made by them. And it follows that I won't be instructing M&S to pay any further compensation to Mr P beyond this amount here.

Because M&S have increased their offer of compensation to Mr P following this complaint being referred to this service, I'm obliged to provisionally uphold this complaint in Mr P's favour in order to formalise that offer and to allow both parties to provide any further comments or new information – should they wish to do so – before I move to a final decision.

As such, my provisional decision here is that I'm upholding this complaint in Mr P's favour on the basis explained above. And while I'm satisfied that no further account corrective action is required by M&S, my provisional instructions to M&S are that they must make a payment of £125 to Mr P, which I feel fairly compensates him for the inconvenience and upset that he's incurred here.

In my provisional decision letter, I gave both Mr P and M&S the opportunity to provide any comments or new information they might wish me to consider before I moved to a final decision.

However, both Mr P and M&S confirmed they were happy to accept my provisional decision, and so I see no reason not to issue a final decision on the basis as outlined in my provisional

decision. I therefore confirm that my final decision is that I do uphold this complaint in Mr P's favour on that basis accordingly.

Putting things right

M&S must make a payment of £125 to Mr P to compensate him for the trouble and upset he's incurred.

My final decision

My final decision is that I uphold this complaint against Marks & Spencer Financial Services Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 May 2022.

Paul Cooper
Ombudsman