

The complaint

Mrs P complains about Marks & Spencer Financial Services Plc (M&S) account closure processes.

What happened

In June 2021, Mrs P wanted to close her credit card and personal reserve accounts with M&S. M&S needed to send 'nil balance' statements to Mrs P before the accounts could be closed. On 23 June 2021, M&S sent the outstanding credit balances to Mrs P - £39.43 on the credit card, £56.95 on the personal reserve. The closing statements were sent to Mrs P on 11 July 2021 (credit card) and 9 July 2021 (personal reserve).

Mrs P complained. She couldn't see why a closing statement had to be sent – she said the balances were credit so couldn't see why that was necessary. After the accounts were closed, Mrs P received some marketing literature from M&S – in November 2022.

M&S said that the closing balances were sent to Mrs P on 23 June 2021 – when she emailed them. And the closing statements were sent on 11 July 2021 (credit card) and 9 July 2021 (personal reserve). After that, her accounts would be closed. They said no further marketing literature would be sent to Mrs P – but it may take up to three months to change that as some promotions were prepared in advance.

Mrs P brought her complaint to us. Our investigator said M&S acted reasonably in terms of the need for closing statements. But he said that for Mrs P to continue to receive marketing literature so soon after the accounts were closed wasn't reasonable. For that, he said M&S should pay compensation of £75.

Mrs P didn't agree. She said her data had been misused by M&S. She said the compensation wasn't enough. She asked that an ombudsman look at her complaint. So – it has come to me to make 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've read Mrs P's comments to our investigator. So at the outset let me say what our role is here. This service exists to resolve individual disputes between customers and financial businesses. We aren't the regulator of M&S – that's the Financial Conduct Authority (FCA). So – we don't tell businesses to change their policies or practices. So – here, it's for M&S to make its own commercial decisions as to how it runs its business. But we do say if a customer has, or hasn't, been dealt with fairly and reasonably – based on the individual circumstances of their complaint. We do this based on the facts of the case as we see them, having taken evidence from both parties. We don't take sides – we are not a consumer group.

Mrs P's original complaint was that she had to wait for closing statements to be sent to her

before her two accounts could be closed. I've looked at the operating procedures for both the credit card and personal reserve accounts. They say that M&S' process is to issue a closing statement showing a nil balance – before closing an account. This is to ensure that there isn't any outstanding interest or charges to be applied before closing the accounts. I know that Mrs P challenged our investigator about whether he had seen the processes for the personal reserve – I confirm I have done.

In Mrs P's case, I can see that the credit balances were sent to her on 23 June 2021 – but due to M&S' processes, the closing statements were then sent on 9 July 2021 and 11 July 2021. And the accounts couldn't be closed until then. I appreciate that Mrs P feels this was inconvenient. I can see she wanted to end her relationship with M&S as soon as she could – but I don't think it was unreasonable that she had to wait for just over two weeks for closing statements and for the accounts to be closed.

During our investigation - M&S sent some marketing literature to Mrs P. This was long after her accounts were closed. This was despite that M&S had said in their final response that it would stop. We looked into this with M&S and they apologised – it was down to human error as the database hadn't been properly updated. Our investigator said M&S should pay compensation of £75. Mrs P says it should be more – but I don't agree. I haven't seen any evidence of how M&S' error affected her in a way that might justify a higher amount of compensation. Mrs P has said she had contacted the Information Commissioner's Office and complained further to M&S about this – and she's entitled to do that. But as far as her complaint to this service is concerned, Mrs P's complaint on this point is closed by this final decision.

I can see Mrs P was frustrated by what happened with her request close her accounts with M&S, and I accept she will be disappointed by my decision, but I am agreeing that M&S pay compensation of £75 to her – in respect of the marketing mailing sent in error. But M&S acted reasonably in terms of their closure of her credit card and personal reserve accounts.

My final decision

I uphold this complaint. Marks & Spencer Financial Services Plc must:

- Pay compensation of £75 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 27 February 2023.

Martin Lord
Ombudsman