

The complaint

Ms T is unhappy with the level of support and general service that Marks & Spencer Financial Services Plc (“M&S”) has provided her with regard to her credit card account.

What happened

Ms T holds a credit card account with M&S.

In April 2024, she contacted M&S to explain that she was struggling financially and wanted to discuss her options. Ultimately, Ms T wanted M&S to agree to reduce the interest rate on her credit card; she was also open to exploring repayment plan options. In her email to M&S, Ms T also set out her unhappiness that none of the advisors she’d spoken with had known much about setting up a repayment plan. She also said she’d received poor levels of general service.

In response, M&S apologised for the service Ms T had received. It paid her £40 for the inconvenience she’d experienced, it also refunded £24 of charges recently applied to her account. It didn’t, though, offer to reduce the interest rate applicable to Ms T’s credit card; although it does seem to have discussed other options, like reduced payment plans, which might help.

Ms T remained unhappy, she didn’t think M&S was offering enough support, so she contacted this Service for an independent review. An Investigator here looked at what had happened; throughout the course of her investigation, M&S offered steps to assist Ms T. Our Investigator thought these were, overall, both fair and reasonable. In summary, she said:

- M&S had acknowledged the poor service it had provided Ms T; having already paid £40 compensation, and refunded £24 of charges, it had now offered to pay Ms T a further £60. For the inconvenience Ms T had suffered, £124 in total was a fair amount of compensation.
- M&S had also offered to convert Ms T’s credit card balance into an interest-free debt consolidation loan, over a term of Ms T’s choosing, to assist with any financial difficulties she’s experiencing. In the circumstances, that was both a viable and reasonable solution.

Ms T disagreed. She said she didn’t like the idea of a loan, and she would rather M&S reduced the interest rate on her credit card; largely because she wanted to retain access to it, in case of an emergency, though she also said she had no intention to use it. Our Investigator reconsidered, in light of Ms T’s comments, but she didn’t change her mind. She reiterated that the offer from M&S was fair and reasonable in the circumstances. So, as no agreement has been reached, Ms T’s complaint has been passed to me to decide.

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.

Having done so, while I know this will disappoint Ms T, I've reached the same conclusions as our Investigator for largely the same reasons.

In my view, M&S has now presented a fair solution to assist Ms T with the problems she told it about. It's reviewed her circumstances, as I'd expect it to, and it's offered Ms T the chance to convert her existing credit card balance into an interest-free loan, repayable over a term of her choosing. That's a generous offer; certainly one I'd deem to be both fair and reasonable.

For the avoidance of doubt, I'll also add here that I don't think M&S' initial actions – when it spoke with Ms T after she complained – were uncooperative. Internal contact notes, provided by M&S, suggest it discussed various options with Ms T; her circumstances were assessed, an income and expenditure process was followed; interest and fees appear to have been suppressed for a time too.

Broadly then, with all of that in mind, I'm satisfied M&S has – overall – treated Ms T positively and sympathetically here.

I accept that Ms T's preference is to retain access to her credit card – just with a reduced interest rate. But there's no obligation for M&S to agree to that; to offer it as an option, or indeed to adopt Ms T's personal preference. Put simply, M&S isn't compelled to offer support to Ms T in a way she specifies, or in the manner she'd most like it to. Instead, I'd expect it to treat Ms T fairly; given what I've set out above, I'm satisfied it has.

With all of that in mind, I can't agree with Ms T that it's unreasonable of M&S not to agree to reduce the interest rate on her credit card. Rather, I find that M&S has approached Ms T's request for help in an appropriate way and in line with its obligations. I'm satisfied that it's offered a suitable, and benevolent, way of addressing Ms T's concerns and helping with the circumstances she's told it about. So, I don't require it to do anything more in this regard.

As I understand it, Ms T hasn't taken M&S up on its offer of an interest-free loan; if she does wish to do so, she should contact M&S directly to arrange it. Alternatively, Ms T can contact our Investigator who can then relay to M&S what she'd like to do. I noted that Ms T thought M&S hadn't correctly captured some detail when it assessed her circumstances; so, I'll mention here that I think M&S should keep in mind whether it's appropriate to reassess, given some months have passed since it first did so, and to ensure accuracy of Ms T's current position.

Aside from what I've set out above, M&S does accept that the service it provided Ms T could've been better. I've no reason to doubt what Ms T has said about her experience here; compensation is a way to put that right – so, I'm pleased to see M&S taking such steps. I think M&S' latest offer of a further £60, in addition to the £40 already paid, bringing the total to £100 – and keeping in mind the £24 of fees M&S refunded too – is a fair way to compensate for the inconvenience caused to Ms T given the impact on her.

Finally, I'm truly sorry to read of the impact to Ms T's health – I certainly hope things have improved for her. While I know what I've said here won't be the answer Ms T is wishing for, I do hope she understands how I've reached my view of the matter. To sum up, I'm satisfied that M&S has treated her circumstances both positively and sympathetically; that is, ultimately, what it's required to do. There's no obligation for M&S to accept Ms T's request for a lower interest rate on her credit card, despite that being her preferred option.

In closing, M&S should pay Ms T the additional £60 compensation that it's now offered. M&S should also arrange the refinancing of Ms T's credit card balance, should she confirm – within a reasonable timeframe – that she wishes to take that offer.

My final decision

My decision is that M&S has made an offer which I think is fair in all the circumstances. So, it should now resolve the complaint as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 14 October 2024.

Simon Louth
Ombudsman