

The complaint

Mrs B complains about the lack of information about the way in which payments are allocated and the payment due date on a credit card supplied by Marks and Spencer Financial Services Plc trading as M&S Bank.

Mrs B holds a credit card with M&S Bank. She raised complaint points with M&S Bank which included:

- 1.How interest on her March statement had been calculated
- 2.Why the payment date had been brought forward and why the payment date wasn't the day before the statement is produced so that customers had more time to pay
- 3.Why the statement says that payments are allocated in a certain order and refers to information "overleaf" but there is no further information on the statement

M&S Bank said it never received Mrs B's letter of complaint. But it agreed to send a final response when this service got in touch.

In its final response dated 25 July 2024, M&S Bank said it wasn't upholding the complaint. It said the payment due date had always been 25 days after the statement is produced and that this hadn't changed. M&S Bank also said the payment due date wasn't set the day before the next statement date because they needed to allow time for payments to clear before the next statement was produced. M&S Bank said that the allocation of payments was explained on the reverse of the statement in the summary box.

Mrs B remained unhappy and asked this service to investigate her complaint.

Our investigator didn't uphold the complaint. He said he hadn't seen any errors in the way the account was operating and that the statement provided information about the allocation of payments.

Mrs B didn't agree. She said she'd posted her letter of complaint to an address provided by M&S Bank over the phone so she thought the letter would have been received and responded to. Mrs B said she felt that the information about allocation of payments wasn't clear but said that when she first raised it, it was possible that she hadn't seen all the pages of the statement otherwise she wouldn't have queried it.

Because Mrs B didn't agree with the investigators opinion, I've been asked to review the complaint.

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 know it will disappoint Mrs B but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which I think are relevant. If I don't mention a specific point, it's not because I haven't read it and thought about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mrs B's complaint letter

M&S Bank has said that it didn't receive Mrs B's complaint letter and that this is why they didn't respond to it. Mrs B has said that she was given the address to send the letter to by M&S Bank when she called them.

I don't doubt that Mrs B posted the letter to the address she was given. However, I haven't seen any evidence that M&S Bank received the letter. From time to time letters do go missing in the post and I can't fairly hold M&S Bank responsible for this. I can see that M&S Bank provided a final response to Mrs B's complaint once this service got involved and provided Mrs B's complaint letter, so I think M&S Bank has acted fairly in the circumstances.

Payment date

M&S Bank has confirmed that the payment date has always been 25 days after the statement is produced and says that this hasn't changed. I appreciate that Mrs B feels that the payment date is getting earlier and earlier in the month. I've checked the statements and the payment date is always 25 days after the statement but due to fluctuations in the number of days in the month it might appear to Mrs B that the date is getting earlier, but I'm satisfied that this isn't the case.

I understand why Mrs B feels that it would be beneficial to have the payment due date as close to the statement date as possible, because it gives a longer time to pay. However, M&S Bank has explained that the payment due date can't be set too close to the statement date because it's necessary to allow sufficient time for payments to clear before the next statement is produced. If the payment date was too close to the statement date, there's a risk that missed payments might be recorded due to payments not clearing in time.

Allocation of payments

I've reviewed the statements. Mrs B complained that there was no information about the allocation of payments on the reverse of the statement. However, I can see that the information appears in the summary box on the reverse of the statement. All of the key information about allocation of payments is provided. Having read through the information, I'm satisfied that the information is clear.

Based on what I've seen, I'm unable to say that M&S Bank has made an error or treated Mrs B unfairly. For the reasons I've explained above, I'm not upholding the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 19 November 2024.

Emma Davy
Ombudsman