

The complaint

Mr P complains about the way that Marks & Spencer Financial Services plc, trading as M&S Bank, handled his credit card application.

What happened

Mr P applied to M&S Bank for a credit card with a 28 month balance transfer offer in November 2023 but his application went missing. Mr P contacted M&S Bank multiple times about his application and he complained to it about the service that he'd received. The 28 month balance transfer offer ended and the balance transfer offer that was then available was for 15 months. M&S Bank apologised for those issues and for the service that Mr P had received and it requested that the credit search that it made in November 2023 be removed from his credit file. It also paid him £125.

Mr P wasn't satisfied with its response and complained to this service. M&S Bank then offered to pay an additional £100 to Mr P and to provide an interest free balance transfer for 28 months. Mr P's complaint was looked at by one of this service's investigators who, having considered everything, thought that it should be upheld. He said that M&S Bank had made a search of Mr P's credit file in February 2024 relating to a credit card application and he thought that the search should be removed and that a search should be added to his credit file as of November 2023 when the original application was made. He also asked M&S Bank if it would be willing to increase its offer of compensation to £300.

M&S Bank says that it removed the credit search from the first application in November 2023 so the one in February 2024 is correct but it then said that it will agree to the investigator's recommendations. Mr P said that his objectives were compensation of £300, a credit search for November 2023 and a 28 month interest free balance transfer period – but since then he's said that he accepts M&S Bank's offer of a total of £225 compensation.

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.

M&S Bank says that Mr P applied for a credit card in November 2023 but the application didn't progress due to an internal processing error and, when Mr P contacted it in January 2024, it gave him incorrect information and a new application was required. It apologised for the time taken regarding his application for a credit card and for the service that he'd received.

It paid him £125 and, after he'd complained to this service, it offered him an additional £100. £225 is more compensation than I would have required M&S Bank to pay in these circumstances. Mr P now says that he accepts £225 compensation so I consider that M&S Bank should pay to him the additional £100 that it offered him (if it hasn't already done so).

M&S Bank has agreed to provide Mr P with the interest free balance transfer of 28 months that would have been available to him when he applied for a credit card in November 2023.

M&S Bank should now make that balance transfer available to Mr P.

M&S Bank made a search of Mr P's credit file in November 2023 but it said that it would remove that search after Mr P had complained to it. It also made a search of Mr P's credit file in connection with a credit card application in February 2024. I agree with the investigator that it would be fair and reasonable for M&S Bank to remove the February 2024 search from Mr P's credit file and, to the extent that it's able to do so, to reinstate the search that it made in November 2023 as that's when Mr P's original credit card application was made.

Putting things right

I find that it would be fair and reasonable in these circumstances for M&S Bank to take the actions described above and as set out below.

My final decision

My decision is that I uphold Mr P's complaint and I order Marks & Spencer Financial Services plc, trading as M&S Bank, to:

1. Provide Mr P with the interest free balance transfer of 28 months that would have been available to him when he applied for a credit card in November 2023.
2. Remove the February 2024 search from Mr P's credit file and, to the extent that it's able to do so, reinstate the search that it made in November 2023.
3. Pay to Mr P the further £100 of compensation that it offered him (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 November 2024.

Jarrold Hastings

Ombudsman