

The complaint

Mr M complains that Marks & Spencer Financial Services Plc trading as M&S Bank gave him incorrect information about the position of his credit card debt.

What happened

The background to this complaint and my initial conclusions were set out in a provisional decision. I said:

Mr M had a credit card with M&S Bank and on 28 January 2023 it wrote to him about the position of his account. M&S Bank said Mr M's credit card had been identified as being in "persistent debt". M&S Bank explained that when a credit card customer has paid more in interest than towards the outstanding balance over the previous 18 months their account was in persistent debt. M&S Bank provided figures that showed Mr M had made payments totalling £2,881.65 of which £1,712.22 was used to cover interest applied to his credit card.

M&S Bank confirmed Mr M could continue making his minimum payment or pay an increased amount it referred to as the "voluntary payment" option. If Mr M increased his payments in line with the voluntary payment option it provided it would ultimately bring his account out of persistent debt. M&S Bank's letter said that Mr M's next minimum payment was £166.21 and the voluntary payment option was £213.28. M&S Bank added that it would continue to show the Voluntary Payment Option on Mr M's statements for the next 18 months. M&S Bank also said it would review Mr M's credit card in around nine months and assess the persistent debt position again.

In March, April, May and June 2023 Mr M made payments in line with the voluntary payment option figures provided by M&S Bank on its monthly statements. In July 2023 Mr M reverted to making to minimum payment set out on his credit card statement.

Mr M's told us he called M&S Bank at the beginning of August 2023 to check whether his credit card was still in persistent debt. Mr M's told us M&S Bank's agent confirmed his credit card was no longer in persistent debt. On 6 August 2023 Mr M followed up with M&S Bank via its online chat facility explained he wanted to check if he was out of risk of persistent debt. The person Mr M was chatting with checked the previous call notes and confirmed Mr M was correct.

Mr M continued to make minimum payments to his credit card in the months that followed. On 28 October 2023 M&S Bank wrote to Mr M again about the persistent debt position of his credit card. M&S Bank's letter said that over the previous nine months Mr M had made payments of £1,773.90 and been charged £880 in interest. M&S Bank's letter added that it would continue to send him voluntary payment option figures over the next nine months to help address the persistent debt position of his account. Mr M's explained he didn't receive M&S Bank's letter.

On 27 July 2024 M&S Bank wrote to Mr M regarding persistent debt and his credit card again. In its letter, M&S Bank said Mr M had continued to pay more in interest and charges than towards the outstanding balance. As a result, M&S Bank said Mr M's account was in

persistent debt. M&S Bank provided options, like agreeing a loan to refinance the credit card debt and repay it over a period of up to four years.

Mr M went on to complain to M&S Bank and said he'd been told in August 2023 that his account was no longer in persistent debt so stopped making the voluntary payment option payments. Mr M also confirmed he hadn't received the 28 October 2023 letter M&S Bank sent him.

M&S Bank issued a final response on 5 August 2024 but didn't uphold Mr M's complaint. M&S Bank said its 28 October 2023 letter provided information about the position of Mr M's account and confirmed it would continue to monitor his payments for the next nine months. Mr M went on to clear the outstanding balance due on his credit card.

An investigator at this service looked at Mr M's complaint. They weren't persuaded that M&S Bank had given Mr M incorrect or misleading information about the position of his account. The investigator also said M&S Bank had been unable to provide the call recordings or chat transcripts from August 2023. And M&S Bank advised it wasn't able to find a call note from August 2023 where Mr M was told his account was no longer in persistent debt. Mr M explained he'd retained a screen print of the chat he had with M&S Bank on 6 August 2023 and provided a copy that showed the agent confirmed his understanding that the account was no longer in persistent debt. The investigator didn't uphold Mr M's complaint and he asked to appeal, so it's been passed to me to make a decision.

What I've provisionally 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

When M&S Bank first contacted Mr M to explain it had identified his account as being in persistent debt it wrote to him and provided a voluntary payment option figure he could use to help resolve the situation. From March 2023, Mr M made the payments in line with M&S Bank's voluntary payment option figures. It was in the summer of 2023 that Mr M reverted to making the minimum payment instead. Mr M's been clear in saying he spoke with agents at M&S Bank and asked about the persistent debt position of his credit card in early August 2023. M&S Bank hasn't been able to find a copy of that call or a call note that shows what Mr M asked. But Mr M has been able to supply a copy of the online chat transcript from 6 August 2023.

I can see that, in the chat transcript, Mr M explained he'd recently spoken with an agent on the phone and been told he was out of risk of persistent debt. Mr M explained he wanted to check the notes and confirm the position. The agent first asked Mr M to call back but went on to say "yes I can confirm that is correct as per the notes on your account."

M&S Bank has told us it doesn't have call records that support Mr M phoned and asked about the position of his account in August 2023. But I'm satisfied the screen shot provided shows Mr M did most likely contact M&S Bank and that its agent confirmed in the online chat that his account was no longer at risk of being in persistent debt.

That information wasn't correct. Whilst Mr M did make payments in line with the voluntary payment option provided by M&S Bank for some time, he needed to maintain those payments for longer to bring his account out of persistent debt over time. I'm satisfied it's more likely than not that M&S Bank missed an opportunity to explain to Mr M that he should continue making payments in line with its voluntary payment option. And I also think it's more likely than not that if M&S Bank had told Mr M to continue making payments in line with the voluntary payment option provided he would've done so.

With the above said, I think it's fair to also acknowledge that each month M&S Bank's credit card statement contained a voluntary payment option for Mr M's credit card which confirmed he could pay extra. And M&S Bank wrote to Mr M on 28 October 2023 with a detailed letter discussing the position of his credit card and voluntary payment options. I understand Mr M didn't receive that letter so wasn't aware M&S Bank had sent more information. But I'm satisfied it was correctly addressed, in line with the details M&S Bank had on file for Mr M at the time, and that the letter was sent as claimed.

I understand Mr M went on to make arrangements to repay the balance in full so the persistent debt issue has been resolved. But I can see that the way Mr M's enquiries were dealt with at the beginning of August 2023 did cause a reasonable level of confusion and I'm satisfied M&S Bank missed a chance to clarify what he needed to do to bring his account out of persistent debt in the longer term. Based on the information I've seen so far, I think a payment in recognition of the distress and inconvenience caused to Mr M is a fair way to resolve Mr M's complaint. So I intend to uphold Mr M's complaint and direct M&S Bank to settle by paying him £150 in recognition of the distress and inconvenience caused.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Mr M responded and said he was willing to accept the provisional decision. We didn't hear back from M&S Bank.

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.

As no new information has been provided I see no reason to change the conclusion I reached in my provisional decision. I still think Mr M's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr M's complaint and direct Marks & Spencer Financial Services Plc trading as M&S Bank to settle by paying him £150 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 January 2025.

Marco Manente
Ombudsman