

The complaint

Mr A complains that Marks & Spencer Financial Services Plc (M&S) declined his request to increase his credit card's credit limit.

What happened

In August 2024 Mr A approached M&S and asked it to increase the credit limit on his credit card from £2,100 to £2,500. M&S used its credit card systems to assess the request and it was declined. Mr A went on to raise a complaint with M&S and asked it to reconsider his request. The credit limit increase request was referred to M&S' Credit Risk team and a manual review was completed to see if the decision could be overturned. But the Credit Risk response was in line with the system decision Mr A originally received and M&S declined his request.

M&S issued a final response to Mr A on 2 September 2024. M&S said Mr A's request had been considered by its system then Credit Risk team and correctly declined in line with its lending criteria. M&S explained it considered information it already knows about customers in addition to information obtained from the credit reference agencies. M&S said Mr A's request didn't meet its risk criteria and was correctly declined. M&S explained its internal credit scoring criteria is commercially sensitive so couldn't provide a specific reason for its decision.

Mr A referred his complaint to this service and it was passed to an investigator. The investigator said that the Financial Ombudsman Service can't tell a business how to assess requests for credit or how it should lend. The investigator thought M&S had acted reasonably by assessing Mr A's request and applying its lending criteria. They weren't persuaded M&S had acted unfairly or made a mistake by declining Mr A's request.

Mr A asked to appeal and said he normally cleared his credit card balance in full each month. Mr A also said it wasn't fair that M&S had told him he couldn't apply for a credit limit increase again for six months from his previous request. Mr A said that M&S had let him down and instead of treating him like a loyal customer had treated him as a credit score. Mr A added he had a very strong track record of making payments to M&S and said there was no clear reason to deny his request. As Mr A asked to appeal his complaint has been passed to me to make a 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 can understand Mr A's frustration that despite being a longstanding customer of M&S it declined his request for a higher credit limit. Mr A's explained his payments have always been made on time and that he sees no good reason why M&S refused to extend his credit limit. I've looked at Mr A's credit card statements and credit file and can see that his payments have been made on time – in line with the credit agreement he has with M&S.

With the above being said, M&S is required to assess any request for new borrowing to ensure it's affordable for the borrower. And whilst Mr A is a longstanding customer, M&S still had to apply its lending criteria to his request to ensure it was lending responsibly. I've looked at the evidence provided by M&S bank and can see the request was initially considered by its credit card system and declined. The request was then manually reviewed and considered by the Credit Risk team. I've read the Credit Risk team's review and the outcome and can see Mr A's request was reconsidered then declined. Ultimately, the request to increase Mr A's credit limit to £2,500 was declined in line with M&S' lending criteria, so I'm unable to agree it acted unfairly or made an error.

M&S has explained the specific details of its lending criteria are commercially sensitive which means it can't be shared with customers. I'd like to assure Mr A that as an independent party, I've reviewed the full complaint file, including the response received after the Credit Risk team's review was completed. Whilst I can't share the specifics with Mr A, I'm satisfied M&S's lending criteria was applied to his request and his request was fairly declined. I'm very sorry to disappoint Mr A but I haven't seen any evidence that M&S made a mistake.

Mr A's told us he doesn't think the restriction on requesting another credit limit increase for a six month period is fair and means he can't use his account as he wishes. But for Mr A to spend using his M&S card above the existing limit, as he's told us he wanted to do, it would've required M&S to approve his credit limit increase. And M&S has already confirmed that his request doesn't meet its lending criteria. M&S is free to set its own lending criteria and I'm satisfied it's reasonable for it to say customers have to wait a minimum of six months between credit limit increase requests. I haven't seen anything that persuades me that M&S has treated Mr A unfairly by applying its policy to his account.

I'm very sorry to disappoint Mr A but as I haven't been persuaded that M&S made an error by declining his credit limit increase request and dealt with his complaint fairly I'm not telling it to take any further action.

My final decision

My decision is that I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 February 2025.

Marco Manente
Ombudsman