

## **The complaint**

Mr L complains about the actions of Marks & Spencer Financial Services Plc trading as M&S Bank when he attempted to carry out a transaction on his credit card account.

## **What happened**

In January 2024, M&S Bank issued a new card to Mr L following the cancellation of his previous card. The new card required Mr L to use the M&S banking app, internet banking or call the automated activation line to activate it.

Mr L said he tried to use the card in November 2024 to purchase an insurance policy, but the transaction was declined and he had to ask a friend to purchase it for him. Unhappy his transaction was declined, despite being able to change his PIN and access his account via an automated teller machine (ATM), he raised a complaint.

M&S Bank upheld the complaint. It said the transaction was declined as Mr L's card hadn't been activated. But accepted that Mr L should not have been able to change his PIN before activation. To put things right, it passed on feedback and paid £50 into Mr L's credit card account.

Our Investigator didn't uphold the complaint. They thought the compensation was fair based on the impact to Mr L.

Mr L disagreed. He says, in summary, he shouldn't have been granted access to his card and feels this is a serious security breach. He also says when he raised the matter with M&S Bank the advisor suggested he was to blame, which he believes was a deliberate attempt to cover up the shortcomings in its security protocols.

As Mr L remained unhappy with the outcome, the case was 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.

Firstly, I've carefully considered everything both parties have said, if I don't directly reference something in my decision it is not because I've not given this consideration. But I've focused on what I consider to be the crux of the complaint.

It may be helpful to explain that it's not our role to punish or penalise a business, that is the role of the regulator – the Financial Conduct Authority. Our service looks into individual disputes, therefore, I'm required to consider the impact on the individual for the issues I think the business got wrong.

I've listened to the call between Mr L and M&S Bank when the new card was ordered in January 2024. He was informed he would receive his PIN separately which could be

changed at an ATM, the card would have a new number so he would need to update any companies that may have his card details, the contactless feature is disabled until the PIN is entered for the first time, and that “*the new card would need to be activated in order to make a purchase*”. And Mr L confirmed he understood this. M&S Bank has also provided a sample letter detailing how the card can be activated (via the M&S banking app, internet banking or the automated activation line), which it says Mr L would have been sent with his card. M&S Bank has said it can’t show the letter was sent to Mr L as cards are produced by a third party, but given this is the letter enclosed with the card and he received the card, I think it’s more likely than not the letter was sent. So I think M&S Bank made Mr L aware that he would need to activate the card to carry out purchases and how he could do this.

M&S Bank has shared its system notes which show Mr L’s card wasn’t activated until 20 November 2024. So, when he attempted to purchase his insurance policy in early November 2024, his card hadn’t been activated. M&S Bank has confirmed it doesn’t authorise transactions on a card which hasn’t been activated. I’m satisfied this is generally accepted industry practice to prevent fraudulent activity. Therefore, whilst I appreciate Mr L had to ask his friend to make the purchase on his behalf and the upset this caused him, I don’t think M&S Bank did anything wrong in declining any transactions before the card was activated. I also note in a call Mr L had with M&S Bank in November 2024, it offered to activate his card for him, therefore I think it has acted reasonably here.

Mr L says he shouldn’t have been able to access his details and change the PIN. He is also unhappy as he says M&S Bank blamed him for the issues. I understand Mr L is concerned about M&S Bank’s security protocols. However, it has accepted he shouldn’t have been able to change his PIN before the card was activated and confirmed feedback has been passed on internally. It also paid £50 compensation to address the distress and inconvenience caused to Mr L. So, from what I’ve seen, I don’t think M&S Bank needs to do more than it already has.

I say that because M&S Bank has told us this was an isolated incident. Furthermore, I can’t see that there was any detriment here to Mr L as a result of the error it made. The card was being accessed by Mr L, and I haven’t been provided with any evidence that it was accessed by anyone other than him. I also acknowledge Mr L’s comments that he feels M&S Bank tried to blame him when he raised his concerns and believes this was to cover up the shortcomings in its security protocols. However, having reviewed the communication between M&S Bank and Mr L, I’m satisfied that it was providing factual information about the activation process and his responsibility of activating the card. I can see M&S Bank initially said it didn’t make an error, but in its final response letter, it accepted something went wrong after it reviewed its internal policy on whether the PIN can be changed prior to activation, and offered compensation as an apology. Therefore, I’m not persuaded it needs to do anything further here.

I note Mr L has wider concerns about the impact on others and M&S Bank’s procedures – as well as having one of his colleagues tell him this had happened to their daughter. However, as I’ve said above, my role is to consider the individual impact on him. Therefore, whilst I appreciate this isn’t the outcome Mr L is hoping for, I’m satisfied that M&S Bank has done enough to put things right for what’s happened in his individual complaint.

### **My final decision**

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 10 July 2025.

Tania Henry  
**Ombudsman**