

## **The complaint**

Mrs M complains that Marks & Spencer Financial Services Plc (M&S) has incorrectly reported to the credit reference agencies (CRA's) that she has missed payments on her credit card account.

## **What happened**

Mrs M says she spoke to M&S on 27 March 2025; she says she specifically asked if going on a payment break would affect her credit score. Mrs M says that she was told that it wouldn't. And so, she was then surprised to see that M&S has reported a missed payment to the CRA's. Mrs M says that she hadn't missed any payments, and that M&S should have reported that she was in an arrangement to pay. To put things right, Mrs M would like M&S to remove the missed payment that is being reported.

M&S responded to Mrs M's complaint, but it didn't uphold her concerns. It said that when a contractual repayment hasn't been received by the payment due date, this will be recorded with the CRA's, and so it didn't think it had done anything wrong when reporting this. It also said that it had explained to Mrs M during a call on 26 March that her credit file would be impacted.

An Investigator considered the information provided by both parties; and they upheld Mrs M's complaint in part. The Investigator felt that it had been explained to Mrs M during a call that her credit file would be impacted by a payment break, and they didn't find that M&S had pressured Mrs M into taking the payment break. The Investigator also found that because Mrs M hadn't made a payment of at least the minimum amount, by the payment due date, it was fair of M&S to have recorded this with the CRA's. The Investigator explained that the advisor Mrs M spoke to in May 2025 spoke over her on a number of occasions, and Mrs M had to repeat her questions several times to the advisor – for the failings in customer service, the Investigator felt that M&S should pay Mrs M £100 to compensate her.

M&S agreed with the Investigator's recommendation, however Mrs M didn't. In summary, she reiterated that from listening to the call herself, she had asked M&S if her credit file would be affected by the payment break, and she says M&S said it wouldn't be. She explained that she was unhappy with the £100 and just wanted the negative reporting to be removed.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

## **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.

Having considered all of the evidence available, it is my decision to uphold Mrs M's complaint in part – for much of the same reasons as set out by the Investigator. I appreciate

this decision will likely come as a disappointment to Mrs M, however I will explain how I have reached my decision below.

I can see that Mrs M completed an income and expenditure assessment and sent this to M&S (via a third-party) and asked for a call to discuss her options – the income and expenditure assessment showed that Mrs M was in a deficit each month. M&S contacted Mrs M, and a payment break was agreed – this meant Mrs M didn't have to make repayments to the account between 26 March 2025 and 26 June 2025.

Mrs M's 23 March 2025 statement shows that the minimum amount due was £43.04 and this was to be repaid by 17 April 2025. No payment was received by the due date or expected as Mrs M was on a payment break; because of this, M&S reported that Mrs M hadn't made the minimum payment by the due date to the CRA's.

Because this payment wasn't made by the due date, it was accurate of M&S to have reported this to the CRA's. M&S is required to report accurate information to the CRA's, which it has done on this occasion, therefore I won't be asking it to remove this reporting. I note that Mrs M did make a payment of £90 on 30 April 2025, but because this wasn't received until after the payment due date, it is fair and reasonable of M&S to have reported that the account wasn't managed in line with the agreement to the CRA's.

Mrs M's main concerns here appear to be that she feels she was told that her credit file wouldn't be impacted.

I have listened to the call that took place when the payment break was agreed. In the call on 26 March 2025, towards the end of the call and after the advisor had finished explaining the payment break, they explained that they needed to provide Mrs M with some more information before they could put the payment break in place. The advisor explained that arrears will build on the account as monthly payments won't be met, they explained that the arrears will be reported to CRA's as an arrangement and it might make it more difficult to get credit in the future. So, I'm satisfied that Mrs M was provided with the correct information relating to the impact to her credit file during the call.

I note Mrs M has referred to part of the call where the advisor explained that certain information wouldn't be recorded with the CRA's; however, this related to information about Mrs M's mental health – the advisor explained that this wouldn't be reported, which is correct. And that this would just be recorded internally in order to better help her in the future.

I can also see that M&S sent Mrs M a letter following the call, this confirmed the payment break and under the section "things you need to know", it explained that:

*"As no payments will be made to cover the monthly contractual amount, the arrears balance will increase.*

*We'll continue to share information about your account with the Credit Reference Agencies listed below. This will remain visible for 6 years and will have an impact on your ability to apply for future lending."*

Therefore, I can see it was explained to Mrs M in writing that her credit file would be affected if she didn't make the contractual repayment by the payment due date.

Based on what I've said above, I'm persuaded that Mrs M was provided with sufficient information letting her know that her credit file would be impacted if she didn't manage the account in line with the terms and conditions.

As I understand it, Mrs M says she was pressured into taking the payment break, however I don't agree that this was the case. During the call, the advisor checked Mrs M was happy to continue with the payment break on more than one occasion, and Mrs M said she wanted to continue. So it wouldn't be fair for me to conclude on this basis that Mrs M had been pressured into taking the payment break. In addition to this, it wouldn't be fair or reasonable of M&S to have set up a different plan, where the income and assessment she completed clearly showed that she was in a deficit and not easily able to make repayments. Therefore, I don't think M&S acted unreasonably by offering and putting in place a payment break.

Taking everything into account, I'm satisfied that it was accurate of M&S to have reported that Mrs M didn't manage her account in line with her agreement in April 2025. I'm also satisfied that it was explained to Mrs M – both verbally and in writing – that her credit file would be impacted if she didn't manage her account in line with the original terms of the agreement. I've also seen no evidence to suggest she was pressured into going on a payment break. So I won't be asking M&S to do anything more for Mrs M in this respect.

I note that the information Mrs M has provided from the CRA's shows the payment as being 'missed', and she says that she didn't miss a payment because she made one at the end of April. I can understand why Mrs M might feel that this is wrong, however, M&S will report that the account hasn't been managed in line with the terms and conditions, which is correct. Some CRAs display a breach in the terms and conditions as a 'missed' payment. How a CRA chooses to display this information is up to that particular CRA, and M&S don't have any control over this. So I can't hold it responsible for how a CRA chooses to display information on a credit report.

In terms of the customer service Mrs M received following the information being reported on her credit file, I agree the calls could have been handled better on occasion. I can understand it must have been frustrating for Mrs M to have felt the advisor wasn't listening to her and spoke over her on a number of occasions. Taking into account this Service's published approach to distress and inconvenience awards, alongside the impact of this to Mrs M, I'm satisfied that £100 is a fair way to compensate her for this.

### **Putting things right**

M&S should put things right for Mrs M by paying her £100.

### **My final decision**

For the reasons set out above, I uphold Mrs M's complaint. I order Marks & Spencer Financial Services Plc to put things right for Mrs M by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 February 2026.

Sophie Wilkinson  
**Ombudsman**