

The complaint

Mr S is unhappy that Marks & Spencer Financial Services Plc, trading as M&S Bank, sent him notifications of his account arrears while he was in an agreed payment plan with them.

What happened

Mr S couldn't meet his contractual repayment obligations on his M&S credit card account and he contacted M&S and explained his situation. A six-month payment plan was then agreed wherein Mr S would pay £15 per month. Mr S made the agreed £15 payments, but he continued to receive letters from M&S telling him that he was in arrears. Mr S wasn't happy about this, so he raised a complaint.

M&S responded to Mr S and explained that had an obligation to provide accurate information about the account arrears to him, even when he was in an agreed payment plan. M&S also noted that this point had been explained to Mr S when the payment plan had been arranged. Mr S wasn't satisfied with M&S's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that M&S had acted unfairly towards Mr S and didn't uphold the complaint. Mr S remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

When a reduced payment plan is agreed on a credit card account, because an account holder can't afford to make the minimum contractually required monthly payments, the arrangement of that plan doesn't prevent the account from falling into arrears because the monthly minimum payments aren't being made.

Instead, the agreed payment plan is an acceptance by the credit provider that the account holder won't make the minimum payments for the agreed term of the plan, so that the credit provider doesn't attempt to contact the account holder by telephone or other means to chase payment to the account.

But the plan doesn't mean that no communication at all about the arrears that accrue on the account during the payment plan will be sent to the account holder. Indeed, credit providers have a regulatory obligation to issue certain notices regarding arrears, so that the account holder has a clear understanding of the position of their account, even if an agreed payment plan is in place.

I've therefore checked to see if this point was explained to Mr S when he arranged the plan. This includes that I've reviewed the transcript of the online chat between Mr S and M&S when the payment arrangement was arranged, and I note that M&S explained the following:

"There is some important information I must make you aware of before I can take any

action on your account.

Arrears will build as the full monthly payment will not be met. These arrears will continue to be reported to Credit Reference Agencies as an 'Arrangement', which may impact your ability to get future credit.

...

You will receive a confirmation of the arrangement and you will continue to receive regulatory notice such as Notice of Sums in Arrears which will inform you of any arrears."

Furthermore, once the arrangement was in place, M&S sent a confirmation letter to Mr S which stated:

"You may still receive letters and notices (such as arrears notices) where we're legally required to send them. These are for your information and won't affect the plan we've set up."

Finally, I've reviewed the letters that Mr S received from M&S about which he is unhappy. These include monthly account statements, which must provide an accurate description of the account (i.e. that the account is in arrears, and how much those arrears are) and so includes arrears notices. This doesn't seem unfair or unreasonable to me, and I don't feel that M&S have sent any arrears correspondence to Mr S that I wouldn't have expected them to have sent.

I'm therefore satisfied that M&S did have an obligation to send the correspondence to Mr S about which he's unhappy, and that M&S explained this point to Mr S when the arrangement was set up. I can appreciate that Mr S may be concerned at receiving these notices, but given the obligations that M&S have in this regard, I don't feel that M&S have acted unfairly by sending those notices, and I feel that any upset that Mr S may have incurred in receiving them is an unfortunate consequence of the necessity of their being sent, which as explained, Mr S was told about when he arranged the plan.

All of which means that I don't feel that M&S have acted unfairly as Mr S contends, and it follows that I won't be upholding this complaint or instructing M&S to take any further or alternative action. I hope that Mr S will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2025.

Paul Cooper
Ombudsman