

The complaint

Miss A complains that Marks & Spencer Financial Services Plc (M&S) irresponsibly lent to her.

What happened

Miss A was approved for an M&S credit card in June 2023, with a £4,500 credit limit. Miss A says that M&S irresponsibly lent to her, due to her existing unsecured debt and her gambling addiction, and they didn't ask for her bank statements. Miss A made a complaint to M&S.

M&S did not uphold Miss A's complaint. They said they approved her application after assessing the information she gave them and information from the Credit Reference Agencies (CRA's). Miss A brought her complaint to our service.

Our investigator did not uphold Miss A's complaint. He said M&S' checks were proportionate, and he didn't believe M&S acted unfairly by providing the account to Miss A.

Miss A asked for an ombudsman to review her complaint. She made a number of points. In summary, she said it was necessary for M&S to view her bank statements as her financial position was far worse than the modelled data suggested, and she was in her overdraft every month. Miss A referred to other decisions this service has made. Miss A said she didn't have enough disposable income as she had over £19,600 debt, and she had only just opened a credit card two months earlier.

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 must make it clear to Miss A that although she has referenced other decisions our service has made, and complaints may appear similar on the surface, each complaint is judged on its own merits. So here, I'll be deciding if M&S made a fair lending decision.

Before agreeing to approve the credit available to Miss A, M&S needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks M&S have done and whether I'm persuaded these checks were proportionate.

M&S said they looked at information provided by CRA's and information that Miss A had provided before approving her application. The information showed that Miss A declared a gross annual income of £43,000.

The CRA that M&S used showed that Miss A had existing revolving debt of £19,663. This would include debt such as credit cards, store cards and overdrafts. Unlike a credit file

where the debt is shown individually, the CRA reported the total unsecured debt to M&S. So while M&S wouldn't know the overdraft usage Miss A had, they would be aware of the total debt she had. She was showing as having no fixed lending such as personal loans/hire purchase agreements.

The CRA reported that Miss A had no defaulted accounts, no County Court Judgements (CCJ's), no accounts in arrears at the time of the checks, and no accounts in arrears for the six months prior to the checks. M&S were aware of Miss A's recently opened credit card with another company, but this in itself doesn't automatically mean that Miss A could not afford repayments on the M&S account. Miss A could have used the new card to refinance her existing debt.

The information from the CRA showed that Miss A had only one credit card which had over 75% usage on it at the time of the checks (it was 88%), and no credit cards were over their credit limits.

M&S completed an affordability assessment. They used information from the CRA about how much Miss A was paying for her credit commitments each month, so this wouldn't have been estimated. They also used modelling, which is an industry standard way of estimating outgoings. The affordability assessment showed that repayments for the £4,500 M&S credit limit would be affordable and sustainable for Miss A.

I've considered what Miss A has said about how M&S should have requested her bank statements as this would have shown her financial position at the time. But M&S are not required to request bank statements for each lending decision as this would not be proportionate. And due to Miss A having no adverse data on her credit file, no existing credit cards exceeding the credit limit, and the affordability assessment showing the repayments would be affordable and sustainable, then I'm not persuaded that M&S should have requested Miss A's bank statements as part of this lending decision.

So I'm persuaded that M&S made proportionate checks here, and they made a fair lending decision to approve the £4,500 credit limit.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that M&S lent irresponsibly to Miss A or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 December 2025.

Gregory Sloanes
Ombudsman