

The complaint

Mr J is unhappy that Marks & Spencer Financial Services Plc (“M&S”) declined his applications for a credit card.

What happened

Mr J made two credit card applications to M&S, both of which were declined. On both occasions, Mr J went through M&S’s eligibility checker before applying, which indicated that his applications were very likely to be successful. Mr J wasn’t happy that his applications had been declined, so he raised a complaint.

M&S responded to Mr J and provided a general explanation of how they assess applications. M&S also said that they wouldn’t give Mr J the exact reason that his applications for the declines, but they did encourage Mr J to review his credit file. Mr J wasn’t satisfied with M&S’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint and liaised with M&S about it. During or investigator’s review, M&S explained that the reason Mr J’s applications had declined was because they hadn’t been able to verify Mr J’s stated income using the various tools and models that they employ. M&S also stated that even if they had been able to verify Mr J’s income, Mr J’s applications would still have declined because the applications had failed their internal scoring criteria. But M&S did acknowledge the frustration that Mr J had incurred because of what happened and offered to pay £50 to him by way of compensation.

In consideration of M&S’s explanation, our investigator didn’t feel that M&S had acted unfairly by declining Mr J’s applications, and didn’t uphold the complaint. Mr J 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.

I issued a provisional decision on this complaint on 3 September 2025 as follows:

I’m not persuaded that M&S have fairly assessed Mr J’s applications in this instance, and so I’ll be provisionally upholding this complaint in his favour and instructing M&S to pay £200 compensation to him for any trouble and upset he may have incurred.

In taking this position, I note that throughout this service’s interaction with M&S about this complaint, they have constantly said that Mr J would have failed their internal scoring criteria, even if M&S had been able to verify his income.

I’ve asked M&S to explain exactly why Mr J would have failed their internal scoring criteria. This was on the understanding that I wouldn’t share that information with Mr J, because I accept that in internal scoring system is commercially sensitive. But I did want to understand M&S’s decision myself, so that I could be assured that Mr J has been treated fairly.

M&S answered my initial questions about the matter ambiguously. And when I went back to them, they then stated that Mr J hadn't failed their internal scoring system and that all previous references to that effect were a mistake. I'm sure that M&S will appreciate how this chain of events causes me to have doubts about how they've processed Mr J's applications.

Additionally, M&S explained that they hadn't been able to verify Mr J's stated income via information they obtain from a credit reference agency, or by a modelled income range based on age, employment status, and other demographic information. But the income that Mr J stated in his application wasn't particularly excessive and seemed to me to fall within what I would consider to be a 'normal' range. Furthermore, Mr J has offered to provide proof of his income and notes that at no point in the application process was he given an opportunity to provide such proof.

I realise that Mr J would like me to instruct M&S to provide a credit card account to him. But I wouldn't consider instructing a business to provide credit to an applicant that they've stated they do not want to provide credit to, as is the case here.

But as explained, I'm not persuaded that M&S have treated Mr J fairly in reaching the decision that they've reached here, for the reasons explained above. And because of this, my provisional decision is that I uphold this complaint and instruct M&S to pay £200 compensation to Mr J.

In arriving at this compensation amount I've considered the frustration and inconvenience that Mr J has incurred here (such as being referred to review his credit file, seemingly without reason) alongside the general framework this service uses when assessing compensation amounts, details of which are available on this service's website.

Mr J didn't respond to my provisional decision. M&S did respond, but only to briefly confirm that Mr J's application had failed due to his income not being verified via their automated process.

But for the reasons explained above, I remain unconvinced that M&S have acted fairly when making the decisions that they have here, in part because M&S mixed and inconsistent messages as to why they made those decisions, and because Mr J's income doesn't appear particularly excessive or out of the ordinary.

Accordingly, my position on this complaint remains as I've explained it in my provisional decision, and my final decision is that I uphold this complaint in Mr J's favour as described.

Putting things right

M&S must pay £200 to Mr J.

My final decision

My final decision is that I uphold this complaint against Marks & Spencer Financial Services Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 17 October 2025.

Paul Cooper
Ombudsman