

The complaint

Mrs B complains that Marks and Spencer Financial Services Plc (M&S) marked her account as settled in December 2024 but later reported the account as unpaid.

What happened

Mrs B holds a credit account with M&S. In 2020 she entered into a Debt Management Plan (DMP) with StepChange.

In December 2024 Mrs B was advised by StepChange that they had received confirmation from M&S that the account had been paid in full. StepChange removed the M&S account from Mrs B's DMP.

In May 2025 StepChange advised Mrs B that M&S had contacted them to say that payments hadn't been received and a balance remained outstanding.

Mrs B was shocked as she believed the M&S account was settled. She complained to M&S.

M&S didn't uphold the complaint. It said it hadn't marked Mrs B's account as settled in December 2024 nor had it confirmed this to StepChange. It said it had provided StepChange with the outstanding balance in November 2024 and had received Mrs B's payments under the DMP in December 2024 and January 2025, but no payments after this. M&S said it had written to StepChange in March 2025 to advise of the missed payments but received no response. M&S said that when the account had been repaid in full it would show as settled.

Mrs B wasn't happy with the response and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said there was no evidence to suggest that M&S had done anything wrong.

Mrs B didn't agree. She said that M&S was attributing the errors made to StepChange and she felt that her concerns hadn't been fully addressed. Mrs B said that StepChange had confirmed in writing that they received a communication from M&S on 27 December 2024 stating that the account was paid in full and based on this they removed the account from her DMP.

Because Mrs B didn't agree I've been asked to review the complaint.

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 know it will disappoint Mrs B but I agree with the investigator's opinion. I'll explain why.

I've reviewed the information provided by both parties. M&S says it didn't advise StepChange that the account had been settled. It says it provided StepChange with the outstanding balance on 28 November 2024. At that time the balance was £592.06. M&S

received payments from StepChange in December 2024 and January 2025, but no payment was received in February and in March 2025 M&S wrote to StepChange to advise that a payment had been missed but received no reply.

Mrs B says that StepChange told her that they had been advised by M&S that the account had been settled. She's also provided a letter from StepChange dated 8 July 2025 in which StepChange confirm that they received a communication from M&S on 27 December 2024 stating that the account was paid in full.

I understand Mrs B feels very frustrated by what's happened. M&S and StepChange have provided a contradict version of events and there isnt enough evidence to determine which version is correct. StepChange says it received a communication from M&S on 27 December 2024, but it hasn't provided a copy of this communication. So, I can't be certain that such a communication was sent by M&S.

I can see that M&S sent details of the balance on the account to StepChange at the end of November. So, I think StepChange was aware – or ought to have been aware – that the account hadn't been settled.

I can see that M&S sent letters to StepChange when the payments were missed but I can't see that StepChange responded. In the circumstances I don't think I can fairly say that M&S has done anything wrong here. There's no evidence that the account was marked as settled and no evidence that M&S advised StepChange that the account was settled. M&S's actions in alerting StepChange to the missed payments are consistent with a creditor who was expecting payments under the DMP.

Taking everything into account I'm unable to uphold the complaint. I won't be asking M&S to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 7 January 2026.

Emma Davy
Ombudsman