

The complaint

Mr F complains that Marks & Spencer Financial Services plc trading as M&S Bank no longer accept payments to his credit card balance in store.

What happened

Mr F is unhappy that he can no longer pay his M&S credit card in M&S stores. Paying by other methods creates a different merchant category code which means that Mr F is no longer able to earn cashback rewards with Chase UK. Mr F is unhappy because he used to earn up to £15 cashback monthly.

Mr F complained to M&S Bank.

M&S issued a final response to Mr F on 22 July 2025. It explained that following the recent cyberattack at M&S Plc, customers are currently unable to make a payment to their credit card account in store. M&S Bank said it didn't know when or if the pay in store service would resume. It explained that this was not an M&S Bank issue and that M&S Bank and M&S Plc are two separate companies. M&S Bank said it hadn't made an error and that although Mr F had received £15 to cover cashback and the cost of calls, it wouldn't be providing any further compensation.

Mr F remained unhappy and brought his complaint to this service.

Following the referral of the complaint to this service, M&S Bank made an offer to resolve the complaint. It offered £30 comprising £10 to cover the cost of the call that Mr F made when trying to resolve his complaint and £20 for the service in relation to Mr F being advised that the cash back facility would resume after the cyber incident had resolved.

Mr F rejected the offer. He said he could lose up to £15 per month as a result of not being able to claim the cashback. Mr F said that following the cyber attack he called the bank to explain the issue of not being able to receive cashback due to not being able to make in store payments. He said the agent advised him that he would be credited the equivalent value of cashback each month until the facility to pay in store was restored.

Our investigator thought the offer from M&S Bank was fair. She said that M&S Bank had no control over the decision by M&S Plc to withdraw in store payments. She said that the agent who had spoken to Mr F had given misleading information and that the offer from M&S Bank for the poor service in this respect was fair.

Mr F didn't agree. He said that when he took out the card the option to pay in store was a key benefit as it allowed him to earn cashback. Mr F said that going forwards he would have no option but to pay all bills directly using his personal bank card so as not to lose out on the cashback.

Because Mr F 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 Mr F, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the information provided by both parties. M&S Bank has explained that the decision to withdraw in store payments is not a decision that it has made but rather a decision made by M&S Plc which is a separate company.

M&S Plc has withdrawn the facility to make in store payments. This means that Mr F will no longer be able to pay in store and benefit from the cashback reward from his bank which he previously received.

I understand Mr F's frustration and disappointment about this change. But there are several other ways in which Mr F can pay his card and Mr F has indicated himself that he intends to use his personal bank card to pay his bills going forwards which he says will allow him to benefit from the cashback reward as before.

I've explained that M&S Bank and M&S Plc are two separate companies. And I'm unable to require either company to reinstate pay in store as this is a business decision which the company is allowed to make.

I'm aware that Mr F called M&S Bank and was advised that he would be credited the equivalent value of the cashback until in store payments were resolved. M&S Bank have apologised that Mr F was provided with misleading information in this respect. It has confirmed that the issue isn't one over which they have any control and that the pay in store facility won't be available going forwards. M&S Bank has made an offer of £30 to cover Mr F's call costs and the misleading advice.

I appreciate that Mr F has requested that he is compensated for the £15 per month cashback that he says he would've earned had he been able to continue to pay his card in store. I don't think it would be fair or reasonable to ask M&S Bank to do this. Firstly, M&S Bank is a separate company to M&S Plc, and they can't be held responsible for the decision to remove the facility to pay the card in store. Further, Mr F has told this service that he intends to use his bank card to pay all his bills, which he says will enable him to receive the cashback rewards going forwards.

Taking everything into account I think the offer of £30 from M&S Bank is fair and reasonable in the circumstances so I won't be asking M&S Bank to do anything further.

My final decision

My final decision is that I uphold the complaint because I think the offer is fair. Marks and Spencer Financial Services Plc must pay £30 compensation to Mr F.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 December 2025.

Emma Davy
Ombudsman