

The complaint

Mr A complains that Marks and Spencer Financial Services Plc trading as M&S Bank took two payments within a short space of time when he asked to change his loan payment date.

What happened

Mr A holds a loan with M&S Bank. On 5 September 2025 Mr A contacted M&S Bank via chat and requested to change his payment date to 2nd of each month. The chat agent responded and said the change would be effective from next month.

Mr A thought the new date would apply from November. However, a payment was taken on 29 September and again on 2 October. This caused Mr A's bank account to go overdrawn.

Mr A complained to M&S Bank.

M&S Bank didn't uphold the complaint. It said the agent had correctly advised Mr A that the changes to his direct debit would be effective from the following month (October).

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

Following the referral of the complaint to this service, M&S Bank said it felt that the agent could've made it clearer that the effect of the change of date would be that two payments would be taken within a short space of time. It offered to pay £250 compensation to Mr A for the inconvenience caused.

Mr A didn't accept the offer. He said the compensation should be increased to £1000.

Our investigator said the offer was fair and in line with what this service would recommend.

Mr A didn't agree. He said he'd made M&S Bank aware that he had a medical condition which was exacerbated by stress and that the situation with the payment dates had caused him significant distress.

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

I've reviewed the terms and conditions of the loan agreement. These say that Mr A must make a payment every month. The terms and conditions also state that the direct debit date (or the payment date) can be changed after the first payment has been made, with any changes effective after the next payment due date.

In this case, Mr A requested to change his payment date to 2nd of each month instead of 29th

of each month. He made the request before the payment which was due to be taken on 29 September had been made. And the change of payment date would – according to the terms and conditions – be effective the month after the payment on 29 September had been made.

Based on what I've seen, I don't think M&S Bank made an error when it took payments on 29 September and again on 2 October. This was in accordance with the changes that Mr A had requested.

M&S Bank has acknowledged that the chat agent could have been clearer in explaining to Mr A that the effect of the requested change would be that two payments would be taken close together. It has offered compensation for any inconvenience caused to Mr A.

Mr A doesn't think the compensation reflects the distress caused. He's explained that the stress exacerbated a medical condition.

I'm sorry to hear that Mr A was impacted in this way. I've reviewed the system notes and I can see that Mr A didn't tell M&S Bank about his medical condition until after he raised his complaint about the payments. So whilst I appreciate that the issue has caused Mr A distress, I can't fairly say that M&S Bank knew or ought to have known that the changes to the payment date and the taking of two payments close together would exacerbate Mr A's medical condition.

Taking everything into account I'm satisfied that the offer from M&S Bank is fair and reasonable.

Putting things right

To put things right Marks and Spencer Financial Services Plc trading as M&S Bank must pay compensation of £250 to Mr A.

My final decision

My final decision is that I uphold the complaint insofar as I'm satisfied that the offer from M&S Bank is fair. To put things right Marks and Spencer Financial Services Plc trading as M&S Bank must pay compensation of £250 to Mr A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 January 2026.

Emma Davy
Ombudsman