

The complaint

Miss P complains Marks & Spencer Financial Services Plc trading as M&S Bank is unfairly reporting her loan to credit reference agencies, adversely affecting her creditworthiness.

What happened

Miss P took a loan with M&S Bank in August 2023, borrowing £12,400 over five years, with the total amount repayable around £18,100.

On checking her credit file, Miss P was concerned to see that only the total amount outstanding showing and the original amount borrowed wasn't separately recorded. Miss P was also concerned that how the loan would be reported wasn't made clear when she applied for the loan.

Unhappy with how M&S Bank was reporting details of her loan to the credit reference agencies (CRAs), Miss P complained. She was also concerned that reporting the total amount payable over the term may be affecting her ability to access other credit. M&S Bank said it took on board Miss P's comments about the information available when applying for the loan but didn't think it had done anything wrong in reporting the total amount Miss P was due to repay.

M&S Bank doesn't agree it's done anything wrong. It says that by reporting the total figure repayable over the term of the loan provides a comprehensive view of Miss P's circumstances.

Miss P then referred her concerns to our Service. One of our Investigator's looked into what happened and didn't think M&S Bank had acted unreasonably. He said the information being recorded to the CRAs was a fair reflection of Miss P's borrowing. He noted that while Miss P wasn't told explicitly how M&S Bank would report the loan to the CRAs, as he didn't think it had done anything wrong, he didn't think it needed to do anything further.

Miss P disagreed with our Investigator's opinion, reiterating that the way M&S Bank was reporting her loan to the CRAs wasn't transparent or in line with how other lenders reported information. As the matter wasn't resolved, the complaint has been passed to me to decide.

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've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Firstly, I think it may be helpful to explain that CRAs provide an overview to consumers of their credit report with a summary of any borrowing they may have and repayments that are being made. While this is the case, existing and prospective lenders won't use this overview

when considering an individual's creditworthiness, rather they'll review the raw data provided by creditors in relation to any existing financial commitments.

Saying this, I'd expect M&S like all lenders to report an accurate and fair reflection of Miss P's borrowing to CRAs and in the circumstances I find it's done that. I appreciate Miss P has highlighted that other lenders may report borrowing differently, in that it'll show the capital borrowed separately to the total amount repayable, but I don't find that means M&S has done something wrong here.

Miss P entered into a loan for five years and if making all contractual payments will pay back around £18,100. Section 4 of the terms of Miss P's agreement sets out the following:

4. We charge a fixed amount of interest which we add to the loan when we open the loan account. The total amount payable by you is the sum of interest and the loan. Although it is added upfront, we work out interest (and the APR) as if the loan amount was reduced by each projected repayment, using the interest rate, the number of monthly repayments and the period of the loan.

Taking this into consideration, I find the information M&S has reported to be reasonable in the circumstances. I say this as, in line with the terms of the agreement, from day 1, M&S added the total interest due over the loan period, and this is what it's then reported to the CRAs. I also think M&S provided clear information before Miss P entered the loan on how it would be structured and I find that the information it's reporting to the CRAs is a fair reflection of this.

I've taken on board Miss P's comments that should she choose to settle the loan early; she wouldn't pay the full amount of interest. I agree that's correct and should Miss P settle the loan early or make overpayments, I'd expect M&S to reflect this on her credit file. However, while the loan is open and being repaid in line with the terms of the agreement, I don't find that M&S is unreasonable in showing the total amount Miss P will pay over the term of the loan. I say this, as this is the amount Miss P has agreed to pay M&S Bank having been provided the loan.

For completeness I note that our Investigator discussed Miss P's option to add a Notice of Correction to her credit file, however she didn't consider this a viable solution. I haven't found it necessary to consider this point further. I say this as my role is to decide whether M&S has made an error in the way its reporting Miss P's loan to CRAs and for the reasons given above, I haven't found that it has. So, while Miss P may consider adding a notice of correction about the balance of her loan, I haven't found this to be due to an error made by M&S.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 13 February 2026.

Christopher Convery
Ombudsman