

## **The complaint**

Mrs M is unhappy with how Marks & Spencer Financial Services Plc (M&S) referred to a returned payment she'd made to her credit card account. She's also unhappy with its explanation for what happened

## **What happened**

The background to this complaint is well-known to all parties and so I won't go into extensive detail about what happened. Instead, I'll summarise the key points.

Mrs M made two payments to her credit card account following an issue with a missed payment. That missed payment is a separate complaint issue that this service has already given an answer to.

The two payments made by Mrs M would have meant her account was overpaid and in credit, and so they were returned to the originating current account (held with a different financial business).

When the payments were returned, they showed on Mrs M's current account statement with a reference of 'Fraudulent Payment Suspected'.

Mrs M has been concerned that M&S has suspected her of fraudulent activity and may have reported as much to other financial institutions and fraud prevention agencies. She contacted M&S to seek an explanation as to why the reference had been applied.

M&S didn't address the issue right away. It seems to have made a mistake in not picking up the complaint issue as it arose soon after the missed payment complaint. Once it realised it had made a mistake it offered £200 compensation for the poor service and delays.

M&S went on to explain that the payments had rejected because the account was in a credit position, which wasn't allowed under the account terms and conditions. It said that it didn't hold any specific information about the rejected payments, explaining the process was automatic within the faster payments system.

M&S also confirmed it hadn't reported anything about the rejected payments to credit reference agencies or fraud prevention agencies.

Mrs M wasn't satisfied with the explanation given by M&S. She remained concerned about what might have been reported elsewhere by M&S. And she felt the issue hadn't been properly addressed and explained. She referred the complaint to our service.

One of our investigators considered what had happened and didn't uphold the complaint. He found there was no error on the part of M&S regarding the rejected payments. He was satisfied that no adverse information had been reported about the payments. And he felt the £200 compensation offered by M&S was fair and reasonable.

Mrs M remained dissatisfied and so the complaint has been passed to me 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.

Having done so, I'm reaching the same outcome as our investigator and for broadly the same reasons.

There's no dispute as to whether M&S was acting within the terms and conditions of the account when it didn't accept the payments. The dispute is about the reference attached to the return.

I can understand why Mrs M has been concerned with the reference to a 'Fraudulent payment suspected'. I can appreciate she wanted to find out why this had been stated and, perhaps more importantly, that she wants to be sure there are no adverse effects from such a reference.

I'm sorry to disappoint Mrs M but I can't tell her why the reference appeared. M&S has said it doesn't hold the information as the rejection was processed automatically through the faster payments system. I've no reason to doubt what it's said here and there's no evidence to suggest that isn't true. It's even possible it's something to do with Mrs M's current account provider, I can't say.

I've seen no evidence to suggest M&S has reported any information about suspected fraud to any external agencies.

The role of this service is to resolve disputes informally. I know Mrs M has submitted a lot of evidence and information to support her case and the belief that M&S has made an error. But I'm not persuaded it has. And, even if it had, one of the first things I'd consider is whether there has been a financial loss because of any error and whether M&S ought to redress that loss. I can't see that there is one here and so there wouldn't be anything for M&S to do in that regard.

I can see reference has previously been made to difficulties in applying for other financial products, though this seems to have been mostly in relation to the earlier complaint about the missed payment. But I've thought about this point anyway.

I'm not persuaded the statement reference has otherwise caused a detrimental impact on Mrs M in relation to her ability to obtain other financial products. There's no evidence to support that being the case. I'm satisfied there has been no information relating to fraud concerns reported externally by M&S. It's more likely that the missed payment marker on her credit file would have an impact.

M&S has accepted it made a mistake in not investigating Mrs M's complaint when it was first raised. It's offered £200 compensation for the delay and in recognition of Mrs M needing to repeatedly pursue the matter. That seems a fair and reasonable offer to me, properly reflecting the frustration Mrs M has felt regarding unnecessary delays.

Mrs M has said she isn't really interested in compensation and so, whilst she has clearly put a lot of time and effort into pursuing the complaint, I see no reason to award a higher amount. I leave it for Mrs M to decide whether she wishes to accept that compensation now.

### **My final decision**

I don't uphold this complaint about Marks & Spencer Financial Services Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 9 January 2024.

Ben Murray  
**Ombudsman**