

## **The complaint**

Mrs H complains that Marks & Spencer Financial Services Plc trading as M&S Bank gave her poor customer service when she was unable to use her card on holiday.

## **What happened**

Mrs H says that her M&S Bank credit card didn't work when she went on holiday. She says she tried to use the card several times, but she was unsuccessful. She says she made phone calls to M&S Bank, and she was told there was nothing wrong with her card. Mrs H said this ruined her holiday, caused her so much stress and embarrassment, and the customer service on these calls wasn't good. Mrs H made a complaint to M&S Bank.

M&S Bank upheld Mrs H's complaint and they initially paid her £50 compensation. They also ordered her a replacement card. Mrs H asked them to reinvestigate her complaint, which they did, and they credited her account with another £250 compensation due to identifying they told her incorrect information at times. Mrs H brought her complaint to our service.

Our investigator said M&S Bank acknowledged they provided incorrect information which led to Mrs H making trips to the Automated Teller Machine (ATM) and calling them numerous times whilst on holiday. This resulted in Mrs H having to contact them again and has caused her trouble, stress and upset. So she said M&S Bank should increase their offer of compensation to £450. Mrs H asked for an ombudsman to review her complaint. She said M&S Bank should refund the whole cost of her holiday as this was ruined by what happened.

## **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 reviewed the authorisation transaction screens M&S Bank have provided our service from when Mrs H was last able to successfully use her credit card to make a purchase on 7 March 2023, until 18 March 2023 which was two days after the last call she made to M&S Bank when she was on holiday. The transaction screens show that there were no authorisation attempts. So it would appear M&S Bank didn't decline the attempted transactions, but they weren't aware Mrs H was attempting to make purchases.

As Mrs H wasn't able to successfully complete the transactions she was wanting to make while abroad, she rang M&S Bank. While this would inconvenience her, this would always be a step she would need to take in order to see if there was any problems with the card. But the call handler let Mrs H down with the information they gave her, and I'll explain why.

M&S Bank would not be aware the card was potentially damaged at this point, as there could be a faulty terminal with the merchant she was trying to purchase items with, and M&S Bank systems did not detect any transaction requests. But as Mrs H had tried the card several times in the store, this ought to have aroused suspicions that there could be something wrong with the card, or they could have asked her to use a different terminal to see if there was just a faulty terminal in store. In the event of signalling issues in the store,

they could have suggested to her to see if she would be willing to make a small purchase in a different store, and if this didn't work, then on the balance of probabilities, her card would likely have been damaged and she would need a replacement card ordering.

But instead, the call handler advised Mrs H to go to an ATM to withdraw cash. The call handler shouldn't have advised Mrs H to do this as not only would this incur a cash transaction fee, she could have also incurred an ATM fee, and also cash interest on the amount she withdrew until this amount was repaid in full. Mrs H was caused inconvenience by the call handler suggesting this as she acted in good faith with what the call handler told her and tried to make the withdrawal, but this was unsuccessful.

So Mrs H was inconvenienced to ring M&S Bank back. I'm persuaded that the call handler should have realised at this point that while her system was showing no card attempts, as Mrs H had told her she wasn't able to successfully use the card in store or at an ATM that the card was likely damaged. But the call handler placed Mrs H on hold to speak to her team leader. If the call handler would have realised the card was likely damaged on the call without having to place Mrs H on hold, then a replacement card could have been ordered for Mrs H there and then. While this would not help Mrs H while she was on holiday, at least it would have been clear what the situation was.

Unfortunately, when the call handler returned to Mrs H, after a brief conversation, the call was interrupted by a phone ringing on Mrs H's end and the line went silent and the call handler couldn't hear Mrs H, so she asked Mrs H if she was there, but there was no response, so the line was disconnected. I can see from M&S Banks system note that the call handler tried to call back Mrs H twice and she left a message on her voicemail for her to ring back. She also put a note on the system advising that a possible new card needed ordering as her team leader had suggested Mrs H's card could be damaged.

Mrs H rang M&S Bank back. The call handler told Mrs H incorrect information which would lead to further distress and inconvenience. I say this because he told her incorrect information that the card had not been activated. He should have known this wasn't true as Mrs H had made a purchase on 7 March 2023, and it's not clear why he told Mrs H this. He told her that because the card wasn't activated, this was the reason she was having problems with the card, and now he had activated this, he reassures her she can use the card successfully.

So Mrs H will have left this phone call distressed that the previous call handlers didn't identify the same issue as the call handler who said her card wasn't activated and he could activate this. She will have been frustrated that something apparently so simple hadn't been put in place, yet she had been sent to the ATM and had to call M&S Bank back.

But the reality is, the card activation wasn't the issue. And the call handler who told Mrs H about the card not being activated didn't see the system note that the previous call handler left on the system about the potentially damaged card. So M&S Bank missed out on the opportunity to try and resolve the issue for Mrs H. The impact of what M&S Bank had told continued after her holiday. As the previous call handler told her that her card was now activated and he reassured her that she could now use her card successfully, she tried to pay for her shopping on 3 April 2023, after she had returned from her holiday.

But the attempt failed. So Mrs H was inconvenienced again by having to ring M&S Bank while she was still in the store. The store assistant told M&S Bank that the transaction was rejected, and the terminal hadn't asked Mrs H for her Personal Identification Number (PIN). It was at this point that M&S Bank finally ordered her a replacement card.

So if an earlier call handler had identified the card could have been potentially damaged

while they were on the phone to Mrs H, then they could have ordered a replacement card for her which may have been waiting for her when she returned from holiday. So the incident on 3 April 2023 would not have occurred. Mrs H has told us about the embarrassment she felt when her transactions kept being declined. And while M&S Bank would not have been aware of the reason why this was the first time she contacted them, I'm satisfied that they missed opportunities to mitigate what happened here.

So I've considered what would be a fair outcome for this complaint. M&S Bank have paid Mrs H £300 for what happened here. But I need to assess the impact that their errors had on Mrs H, taking into account Mrs H's individual circumstances at the time. I'm persuaded that due to Mrs H's individual circumstances that £300 is not proportionate for the impact the errors had on her.

I know Mrs H wants M&S Bank to pay for her holiday, but I'm not persuaded that this is proportionate either. Mrs H was not ringing M&S Bank every day of her holiday, and while I sympathise with her concerns about not being able to use the card, thankfully she had access to other methods to pay for things while she was on holiday, even though I appreciate this was not what she wanted to do. A damaged card meant there was little that M&S Bank could do while she was on holiday, and as the card worked on 7 March 2023, then it would be out of M&S Banks control if the card became damaged after this transaction. A damaged card would naturally be distressing, and she would have needed to contact M&S Bank about this regardless of if she was on holiday or not.

So I'm persuaded that a fair outcome of this complaint is for M&S Bank to pay Mrs H an additional £150 to total £450 compensation. I know Mrs H wants more compensation than this, but our awards are not designed to punish a business. I do think the impact of what happened here did contribute to Mrs H's holiday not being as enjoyable as it should have been and M&S Bank were directly responsible for some of this such as sending her to the ATM and giving her wrong information about the card not being active. I'm persuaded they caused her embarrassment when she tried to use the card on 3 April 2023, and this was entirely avoidable if the call handler would have read the note on the system and recognised her card had already been activated in January. So it follows M&S Bank should put things right for Mrs H.

### **Putting things right**

Our investigator suggested that M&S Bank pays Mrs H a further £150 compensation for distress and inconvenience to total £450, which I think is reasonable in the circumstances.

### **My final decision**

I uphold this complaint in part. Marks & Spencer Financial Services Plc trading as M&S Bank should pay Mrs H an extra £150 to total £450 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 December 2023.

Gregory Sloanes  
**Ombudsman**