

The complaint

Mr T complains that Marks & Spencer Financial Services Plc trading as M&S Bank (M&S) failed to inform him when they blocked his credit card which caused unnecessary expense whilst he was abroad.

What happened

In October 2023, Mr T attempted to use his M&S credit card to rent a car whilst he was abroad, but his card was declined. Mr T contacted M&S to ask why, and they explained they were forced to place a block on his account as they had received returned mail from the address they held for Mr T. M&S attempted to resolve the issue by agreeing to remove the block so Mr T tried to use his credit card again, but was unsuccessful.

When Mr T contacted M&S following the second decline, they told him that the block would be removed overnight that night, something which they omitted to tell him in the first phone call. As Mr T needed to rent a car sooner, and did not have a valid credit card, he paid for separate insurance which cost him £191.30. Mr T then complained to M&S as he was unhappy that they had not made any efforts to try and contact him about the block, and that due to not being told when the block would be removed in the first phone call, he had incurred a cost of £191.30.

M&S investigated the complaint, apologising for the missing timescale information and awarding £50 compensation. In terms of the block, they applied it due to the returned mail for security purposes and to encourage customers to make contact. They also said it's not their policy to try and telephone customers when they apply a block, but they would pass that on as feedback.

Mr T was dissatisfied with M&S's handling of his complaint and referred his complaint to our service. Our investigator didn't recommend that the complaint be upheld. They noted firstly that it isn't part of M&S's policy to contact customers when they apply a block. Secondly, our investigator established that according to the website of the car rental company that Mr T used, credit and debit cards can be used, and the rate given includes insurance. Therefore, they couldn't agree that Mr T incurred the extra cost of £191.30.

Mr T remained unhappy and requested an ombudsman review his 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 have looked carefully at all the information M&S have provided to see if it has acted within its terms and conditions, followed due process, and to see if it treated Mr T fairly.

In Mr T's communication to our service and M&S, I understand he's unhappy due to two main issues. Firstly, Mr T thought the investigator had not addressed what he regarded as the core element of his complaint - if M&S were right in not informing him when they blocked the card. Based on the evidence that M&S have supplied, they've explained that the returned mail prompted their decision, and also that their policy is that they don't attempt contact largely because in most cases, customers will no longer have up to date phone details if they have moved.

Mr T secondly regards M&S as negligent in not informing him of the block, just because they are able to apply blocks within their terms and conditions. It is the case that terms and conditions form the basis of a financial contract, and our service cannot influence them as we are complaint handlers, not the regulator. M&S, like many other companies rely on their terms and conditions as a very important and fundamental agreement to inform customers of the rules of the service they provide, the boundaries, and to set expectations. I'm satisfied that as far as the M&S credit card account goes, they are sufficiently clear. And allow M&S not to notify a customer on blocking their account.

Addressing the cost of £191.30 that Mr T mentioned in his initial complaint, if he does remain unhappy about this, he does have the option to pursue a complaint with the rental car company.

One final point I want to mention is the two phone calls. Whilst I acknowledge that within the first call, Mr T wasn't given the accurate timescale, the removal of the block would have still taken the timescale it did, therefore leaving him in the same position he was in.

In conclusion, I think M&S's account security process was fair and reasonable with regard to Mr T, and was invoked due to a justified event – the returned mail. And it appears to have been followed correctly. That M&S have acknowledged both their error and Mr T's telephone suggestion - shows their customer focus. In terms of the compensation that M&S credited to Mr T, looking at the inconvenience that Mr T suffered, I regard it as fair. And so I cannot require it to take any further action towards him.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 May 2024.

Chris Blamires
Ombudsman