

The complaint

Ms M complains that Marks & Spencer Financial Services Plc ("M&S") prevented a transaction on her credit card account and blocked her card.

What happened

Ms M attempted to make a transaction on her credit card while abroad, and received a text message from M&S shortly after. She says she didn't think she needed to respond to the message, as the transaction was genuine.

M&S' agent called Ms M to ask if the transaction was genuine. After she confirmed that it was, the agent told her the card would be blocked. This was because it had received information from the card scheme to suggest her card details may have been compromised. Ms M was unhappy with this, as she needed to make the transaction to rent a mobility scooter while she was away. She said she'd told M&S that she would be travelling several weeks before, and that she needed the card to make purchases as her hotel didn't accept cash.

M&S agreed to delay blocking the card while Ms M was abroad. The agent said she could use the card to make chip and PIN transactions – but wouldn't be able to use it for other transactions such as online purchases.

When she returned home, Ms M complained to M&S. She said she couldn't use her card for the entirety of her trip, which caused her inconvenience and embarrassment. She was also unhappy that her replacement card hadn't arrived by the time she returned home as promised.

M&S said it followed its process correctly, and that it had tried to reduce the impact of the situation on Ms M by allowing her to use her card for some transactions – which it wouldn't normally do. It apologised for the inconvenience and embarrassment the situation had caused Ms M, and for the fact the replacement card arrived later than promised. To recognise how the situation had affected her, M&S credited Ms M's account by £175.

Ms M referred the complaint to this service. One of our Investigators looked into the complaint but didn't uphold it. They said they were unable to tell M&S to change its process or procedures, and that it had taken reasonable steps by allowing Ms M to use the card while abroad. They also thought the compensation offered by M&S was fair in the circumstances.

Ms M didn't agree. She said the fact she'd told M&S about her trip ahead of time should have been enough to prevent the card from being blocked. She asked M&S to pay her £750 – around half the cost of the trip – because its actions had affected her enjoyment of it. Ms M asked for the complaint to be escalated to an Ombudsman 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.

I can appreciate why Ms M is unhappy with M&S' actions here, and that being without the use of her credit card caused her embarrassment and affected her holiday – especially as her hotel didn't accept cash payments. Banks have a responsibility to protect their customers from fraud – and often have processes in place to identify and prevent potentially fraudulent transactions. In some cases, this may mean that legitimate transactions are subject to anti-fraud measures. While this may cause some inconvenience for customers, it doesn't necessarily mean the bank has made an error.

While I can't interfere with the processes put in place by M&S to prevent fraud, I'd expect it to follow that process correctly and to ensure it treated Ms M fairly when doing so. I've looked carefully at the terms and conditions of the account which were in place at the time. These terms outline that M&S can refuse a transaction or suspend the account if they suspect fraudulent activity or otherwise consider it necessary for the security of the account. M&S says it regularly receives reports of industry alerts that may suggest a customer's details have been compromised – and when this happens it may be necessary to monitor a card for unusual transactions.

Because M&S received an alert about Ms M's card, I don't find it unreasonable that it took steps to protect her account. Ms M's transaction was automatically picked up by M&S' security system and needed to be authorised. The text message sent by M&S gave instructions on how Ms M should respond to verify the payment. I appreciate Ms M wasn't sure how to respond – but I think the instructions M&S sent were clear enough for Ms M to have known what to do.

M&S has provided details of the process it followed here, which I've carefully considered. Having done so, I'm satisfied M&S correctly followed its process by calling Ms M to check the transaction and by blocking the card.

I've also considered whether M&S treated Ms M fairly, taking into account what she told them about her circumstances. M&S agreed to allow her to use the card for chip and PIN transactions – but blocked all other transactions. As Ms M was abroad and relied on her card to make purchases, I think this was a reasonable step to take. Ms M said she didn't use the card again, as she didn't want to risk her payments failing. While I understand this, I don't think Ms M was without the use of her card due to an error made by M&S. M&S made it clear to Ms M that she could continue to use the card for in-person transactions.

I appreciate Ms M feels that because she told M&S about her trip ahead of time, it ought to have known the transactions were genuine. While it can be helpful for a bank to be made aware of any potentially unusual transactions, it's not a guarantee that they won't be queried. And since Ms M didn't verify the transactions following M&S' text message, I don't think it's unreasonable that it followed its process and blocked the card.

M&S didn't ensure that Ms M received the new card by the time she returned from the trip as it had said – which would have been disappointing and caused further frustration. I don't agree that M&S made an error in blocking Ms M's card, and I'm satisfied it took reasonable steps to make sure she could still use it while abroad. So I can't fairly agree that it's responsible for the impact the situation had on her holiday. But taking all of the circumstances into account, I'm satisfied M&S' offer to credit Ms M's account by £175 is a fair and reasonable reflection of what happened here - and I won't be telling it to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 14 May 2024.

Stephen Billings
Ombudsman