# M&S faces steep financial hit following major cyber-attack by Scattered Spider



As Marks & Spencer (M&S) prepares to unveil its financial results in an upcoming stock market update, investors are keenly focused on the repercussions of a severe cyber-attack that has inflicted significant disruptions on its operations. Almost a month has passed since the retailer experienced what has been termed a major "cyber incident," attributed to the hacking group Scattered Spider. The attacks have forced M&S to halt all online orders, impacting not only the company's e-commerce capabilities but also its in-store sales, leading to visible product shortages on shop floors.

In the wake of the attack, M&S temporarily took critical IT systems offline to mitigate the extent of the breach. This decision, while necessary to protect customer data, has resulted in the suspension of popular services such as click-and-collect and contactless payments. Reports suggest that the disruption has translated into an estimated loss of £3.8 million in online sales daily, alongside a staggering total reduction of more than £500 million in the company's stock market value.

The ramifications of the cyber-attack extend beyond immediate operational setbacks; they are also likely to affect M&S’s long-term financial outlook. Analysts are projecting that the overall cost of the attack could reach £200 million for the 2025/26 financial year, although insurance reimbursements may help offset a portion of this financial blow. The company has yet to disclose specific figures regarding the financial impact of the incident, but preliminary estimates indicate a substantial decline in sales across various categories.

Susannah Streeter, head of money and markets at Hargreaves Lansdown, remarked that the disruption is particularly detrimental for fashion sales at a time when the weather favours spring/summer apparel. With consumers hesitant to recommend M&S — as indicated by a recent study showing a 14% drop in brand trust — the retailer faces an uphill battle to regain customer confidence. Despite these setbacks, analysts expect to see a modest increase in total group sales, projected to reach around £13.8 billion for the year ending March 31. Pre-tax profits are anticipated to show growth, climbing to approximately £840 million from £716 million the previous year. These figures, however, will only provide a glimpse of the company’s resilience before the incident’s impact fully emerged.

The broader implications of this attack are being closely monitored, particularly as M&S continues to collaborate with the Metropolitan Police and the National Cyber Security Centre to investigate the breach. The retailer has assured customers that it is working "day and night" to restore normal operations and has publicly apologised for the inconvenience caused.

With the situation still evolving, it remains to be seen how effectively M&S can navigate the challenges posed by the cyber-attack while assuring consumers of its commitment to security and transparency. The outcome of this situation is not just pivotal for M&S, but could also serve as a cautionary tale for retail businesses increasingly reliant on digital channels.

### Reference Map

1. 1, 2, 3, 5, 6, 7
2. 4

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.independent.co.uk/news/business/m-s-expected-to-reveal-impact-of-cyber-attack-disruption-b2754897.html> - Please view link - unable to able to access data
2. <https://www.theguardian.com/business/2025/apr/30/marks-and-spencer-cyber-attack-products-run-short-in-some-stores> - Marks & Spencer (M&S) has acknowledged product shortages in some stores due to a significant cyber-attack. The retailer temporarily took certain systems offline to manage the incident, leading to limited availability in some shops. The Metropolitan Police and the National Cyber Security Centre are investigating the attack, which is linked to the hacking group Scattered Spider. M&S is working to restore normal operations and has apologized for the inconvenience caused to customers.
3. <https://www.theguardian.com/business/2025/apr/28/m-and-s-marks-spencer-warehouse-staff-cyber-attack> - Following a cyber-attack, Marks & Spencer (M&S) has paused deliveries of some food items to Ocado, the online grocery specialist it co-owns. The attack has disrupted M&S's online services, leading to the suspension of online orders and affecting contactless payments and click-and-collect services in stores. The retailer is working to restore services and has apologized for the inconvenience caused to customers.
4. <https://www.marketing-beat.co.uk/2025/05/02/ms-brand-trust/> - Consumer trust in Marks & Spencer (M&S) has declined following a recent cyber-attack. A study by Maru revealed a 14% drop in the number of consumers willing to recommend M&S, falling to 73% from 87% pre-attack. The data also showed a 7% dip in those who would give the supermarket chain the benefit of the doubt in the event of ongoing product/service issues. However, underlying trust metrics suggest that with transparent communication and decisive action, M&S can recover in the long run.
5. <https://mklink.co.uk/tech-insight/how-marks-spencer-was-brought-to-a-standstill/> - Marks & Spencer (M&S) experienced a significant cyber-attack that led to the suspension of online orders and affected in-store services. The attack, attributed to the hacking group Scattered Spider, resulted in daily online sales losses of approximately £3.8 million and wiped over £500 million off the company's stock market value. The retailer is working to restore services and has apologized for the inconvenience caused to customers.
6. <https://www.itv.com/news/2025-05-02/m-and-s-says-its-working-day-and-night-to-restore-services-after-cyber-attack> - Marks & Spencer (M&S) has stated it is working 'day and night' to restore services following a cyber-attack that disrupted its business over the Easter weekend. The retailer has apologized for the inconvenience caused and is collaborating with authorities to manage the incident and return to normal operations as quickly as possible.
7. <https://www.miltonkeynes.co.uk/business/ms-marks-and-spencer-scattered-spider-online-cyber-attack-uk-shopping-5110689> - Marks & Spencer (M&S) was targeted by a significant cyber-attack over the Easter weekend, leading to the suspension of online orders and affecting in-store services. The attack, attributed to the hacking group Scattered Spider, resulted in daily online sales losses of approximately £3.8 million and wiped over £500 million off the company's stock market value. The retailer is working to restore services and has apologized for the inconvenience caused to customers.