

The complaint

Mr D complains that HSBC UK Bank Plc failed, when he asked, to put a stop on his account to restrict gambling. This led to him losing a large amount of money..

What happened

Mr D says he went into the local branch of his bank on 27 November 2020 and asked for a stop to be put on his account for gambling transactions. He says HSBC failed to do this and he was still able to carry out gambling transactions on the account until August 2021 when he applied a stop on such transactions through his mobile banking app. He has told us he had by that stage already applied a stop directly with the gambling companies using an internet service. Nevertheless, he says that by that time he had already run up considerable gambling debts.

When he complained to HSBC, it said it had no record of his visiting the branch. It also pointed out that it had no record of him contacting it to complain the transactions were still going through. So, it said it was unable to assist with refunding or compensating him for gambling transactions.

On this matter being referred to the Financial Ombudsman, HSBC offered a £50 ex gratia payment, which Mr D declined. Our investigator said that as there was no record of his visiting the bank or of raising the matter with it when the transactions continued to go through, it wouldn't be fair to hold HSBC responsible for his losses. He further said there was no evidence from the way his account was maintained of any financial difficulty. The account was always kept in credit and there was no evidence of other credit being used.

Mr D disagreed and said the matter had affected his mental health and he didn't understand why HSBC hadn't restricted the account when he asked it to.

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.

Mr D has sent us copies of his bank statements for the account he used for gambling from November 2019 until November 2021. HSBC says it has no record of Mr D visiting the branch on the date he says he went in. As Mr D says he had gone to the trouble of going into his branch, I would have expected him to notice that when he carried out gambling transactions three days later they still went through. He has advised us that he used several accounts for gambling and hadn't noticed that this one was still allowing gambling transactions. Though if that is the case it would be difficult to say that HSBC was responsible for his continuing to gamble.

The statements show no entries after 14 April 2021 which could be identified as gambling transactions, so it seems likely to me that he put the general stop on those transactions from after that date. The account does show evidence of his trading in crypto currencies, through as HSBC has pointed out those sorts of transactions aren't regarded as gambling and

wouldn't be caught by any stop put on the account for gambling.

As there isn't any record, apart from Mr D's assertion, of his visit to the bank and as he didn't chase up the matter when the transactions continued to go through I don't think that HSBC is responsible for Mr D's gambling losses because of any failure to put a stop on his account.

I have considered, nevertheless, whether HSBC should have realised he had a problem with his spending. It appears to me that this was an account used mainly for gambling and currency transactions. It clearly couldn't have been an account used for day to day living. The account was used mainly from around 27 October 2020 onwards. There are substantial gambling transactions from then until about 14 April 2021. There were also a number of payments made through an online payments service (which, if used for gambling, also wouldn't have been prevented by any gambling stop on the account).

HSBC's notes of its practices point out that somebody who gambles isn't automatically regarded as a vulnerable customer. My review of the gambling transactions on the account show that although Mr D did indeed spend considerable sums on gambling, he did get a little more than half of that back in winnings. And as the account was kept in credit and as I've seen no evidence of Mr D using credit or loans to fund his gambling habit, I can't say that HSBC should have been alerted to any unusual spending patterns in respect of this account.

As I think Mr D could have chased the matter up with HSBC if he expected the gambling transactions to be stopped and as there were no other indicators that in my view should have led HSBC to take action, I don't think it is responsible for Mr D's gambling losses. I've also noted Mr D's statement to our investigator that he had a number of different accounts he used for gambling.

I'm sorry that Mr D has had problems with his gambling and I'm pleased to note he has now sought treatment to stop this. However, in light of my findings I can't uphold his complaint.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 September 2022.

Ray Lawley
Ombudsman