

The complaint

Miss G complains that Bank of Scotland plc trading as Halifax didn't stop her from spending over £30,000 on gambling transactions in just over a year.

This complaint has been brought on Miss G's behalf by a family member. For ease, I'll refer to his comments as though Miss G had made them herself.

What happened

Miss G says that between January 2023 and February 2024 she spent over £30,000 from her Halifax account on gambling transactions. In just a few days at one point she spent over £9,000. She thinks Halifax should have spotted the gambling and contacted her to see whether she needed help. She is on benefits.

When Miss G complained to Halifax, it said it wasn't aware that she was on benefits. It said funds were moved into the account before being used for gambling, so there was no overdraft or evidence of bills being unpaid. It thought this suggested the gambling was being adequately managed. It said there were no indicators of financial difficulty such as payments being returned unpaid. It said so long as the account was being managed without indications of financial difficulty, there would be no reason to stop Miss G from using money on the account for gambling. But in any event it wasn't up to the bank to tell a customer how it should use its money and gambling is legal in the UK.

Halifax refused to compensate Miss G. However, it referred Miss G to external support which is available to people with an addiction to gambling and tools which could help her to manage her account better in future.

The complaint was referred to this service. Our Investigator didn't uphold it. He didn't think Halifax had done anything wrong in allowing the transactions.

As Miss G disagreed, the matter has been referred to me.

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'm aware my decision will disappoint Miss G as I am not upholding her complaint. I'll explain why.

Most banks don't manually monitor accounts or have a mechanism to spot gambling activity beyond identifying debit card payments made to gambling merchants through standardised codes. This in itself is not a fool proof safeguard as merchants don't always use the correct code. In most cases a bank is only likely to become aware of a customer having a gambling problem if it is alerted for another reason. Typically, this is because the pattern of spending has triggered fraud detection algorithms or there are signs of financial difficulty on the account that cause the bank to investigate further, such as an unplanned overdraft, returned

payments or missing expected repayments.

In Miss G's case, it's clear that she spent a relatively large amount of money on gambling over a 13-month period. Miss G has pointed out that her employment support allowance was being paid into this bank account. Because of that she thinks Halifax should have been aware that she was receiving benefits. But there were no indications that gambling was causing her any financial difficulties. So there was no need for Halifax to review her account or her spending patterns. It isn't the responsibility of Halifax to tell its customers what to spend their money on, whether they're on benefits or not and ultimately she is entitled to spend her money as she sees fit. Miss G feels the bank's lack of intervention facilitated her losses and gambling harm. One of our considerations is the personal responsibility of the consumer for their transactions and I think this suggestion would negate responsibility on the part of the consumer. I haven't seen anything to suggest that she self-excluded from gambling operators or requested the bank for blocks to be applied to payments to gambling operators.

In the light of this I can't fairly require Halifax to pay any compensation to Miss G.

I'm sorry I can't help Miss G any further on this and hope she gets the support she needs to address her particular circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 7 August 2024.

Elizabeth Grant
Ombudsman