

The complaint

Miss M complains that The Royal Bank of Scotland Plc ('RBS') failed to protect her as a vulnerable customer by allowing her to spend significant amounts on gambling.

What happened

Miss M's spending pattern changed during April 2023. There were occasions after this, sometimes over a few days at a time, when she engaged in gambling activity – spending more money, more frequently on these sorts of transactions than she had done previously.

When she complained to RBS that it ought to have been alerted to undertake welfare checks and impose limits on her spending, RBS didn't uphold her complaint. It mainly said that it hadn't been made aware of any concerns about her gambling or given reason to think she wasn't able to make her own spending decisions. It said RBS didn't have processes in place to monitor accounts for any changes in spending habits due to gambling transactions. RBS said however that it would be considering her concerns about using customer data to flag early intervention and that a gambling block was now placed on Miss M's account. RBS also signposted Miss M to other sources of information and assistance she might find helpful.

When Miss M brought her complaint to the Financial Ombudsman Service, our investigator thought RBS had responded fairly and reasonably to Miss M. She said RBS hadn't had any particular reason to review the way Miss M was using her account as she hadn't shown any signs of financial distress and we wouldn't require a bank to do random checks on customers' spending. She noted that RBS had supported Miss M appropriately when she had reached out to the bank for help to manage her gambling spending and she didn't think RBS needed to do anything more.

Miss M disagreed, mainly saying that this decision was inconsistent with a decision we had made in a similar case. She said RBS had required her to verify numerous payments to gambling sites, including late at night and in the early hours, which should have triggered concerns at the bank. Miss M said her spending sometimes ran into thousands of pounds over a very short period and she was moving money between accounts to cover her spending and using her overdraft – all of which were obvious hallmarks that her gambling was out of control.

Miss M would like an ombudsman review, so her complaint comes to me to decide.

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 appreciate that this is a very difficult situation for Miss M – she has described the impact this had on her and I sympathise. I understand that vulnerabilities will drive people to behave in ways that are harmful and that it's reasonable to expect that banks will play their part in providing support and assistance to help manage responsible gambling. But having thought

carefully about everything here, I've reached the same conclusions as the investigator. I'll explain my reasons.

We provide an informal complaint handling service. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. In doing so, I may not address every single point or question raised. But if I haven't done that here, it doesn't mean I haven't considered the evidence and what's been said – it just means I haven't needed to specifically refer to it in order to reach a decision in this case.

In order to uphold Miss M's complaint I would have to find that RBS made an error or acted in a way that wasn't fair and reasonable and this led to Miss M suffering financial loss or some other detriment. So this is the focus of my decision.

It's also worth me saying that while Miss M has referred to other another decision this service has reached, my role here is to decide what's fair and reasonable in the individual circumstances of her complaint.

I can see that Miss M's pattern of gambling did change quite significantly during April 2023 and there were periods after this when she was spending a lot of money in a short time on gambling transactions. I've thought carefully about whether Miss M's account activity should have prompted RBS to realise there might be a problem.

My starting point is that, broadly speaking, there is no general requirement for RBS to routinely monitor Miss M's account for gambling transactions and it's up to her to choose how she spends her money. Gambling is a lawful activity. So I wouldn't reasonably expect RBS to have systems in place to routinely regulate or limit how much or how often a customer uses the account to fund gambling activity – unless the customer specifically asks the bank to do this. And during the period Miss M complains about, she hadn't at that stage spoken to RBS about her concerns around her gambling.

I might expect RBS to become aware of a potential problem if a payment was flagged up for some other reason. Miss M has mentioned that a number of her gambling transactions triggered RBS' fraud detection system – RBS hasn't identified those transactions. It identified at least one payment in January 2024 was stopped - but this wasn't a gambling transaction. In any event, as Miss M went through RBS' security system when required and authorised all transactions, I can't fairly say that RBS was wrong to allow the payments to proceed.

And I don't think RBS reasonably had any other reason for concern. There were no significant signs that Miss M's spending was causing her financial distress – she mostly operated the account in credit and when she did go overdrawn from time to time, her overdraft was maintained within the approved limit. An application to increase her overdraft and a small unpaid transaction fee aren't enough on their own in my view to have alerted RBS to think Miss M's gambling was out of control. And while I appreciate that Miss M says she was moving money around to fund the account, that doesn't necessarily suggest she was in financial difficulty.

When Miss M complained, RBS responded to her disclosure about her vulnerability to spend compulsively on gambling activity. RBS put in place measures it is able to offer to support customers in this situation, including applying a gambling block and giving her a point of contact at the bank who has passed on details about other ways that Miss M can get help and assistance.

After taking into account everything that Miss M and RBS have told me, I haven't seen enough to show that RBS did anything wrong or that it treated Miss M in a way that wasn't

fair and reasonable. To sum up, I've seen no evidence to suggest that Miss M told RBS about her concerns when she first became concerned about her gambling and I don't think RBS' reasonable and proportionate checks would have revealed this was a problem for her before she complained. When Miss M made RBS aware, it took appropriate steps to support her. So I can't uphold this complaint.

I've taken into account what Miss M said about what happened on another complaint. But each complaint is looked at on its own merits - I've looked at the circumstances that apply in this particular case and what happened on other cases doesn't change my conclusion here.

I hope that setting things out as I've done helps Miss M understand why I have reached my conclusions.

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 Miss M to accept or reject my decision before 25 October 2024.

Susan Webb
Ombudsman