

## The complaint

Miss T is unhappy that Barclays Bank UK PLC has allowed her to spend in excess of £12,000 on gambling.

## What happened

The circumstances that led to this complaint are well-understood by both parties. In summary, Miss T held a current account with Barclays and, between 26 August and 10 September 2019, used her debit card to make payments totalling £12,677 to various online gambling companies. Miss T tells us she has bipolar disorder and thinks Barclays should've done more to help prevent this spending, which she says took place during a number of manic episodes.

Barclays refused to refund any of the payments. But, following intervention by one of our investigators, the bank offered £2,500 compensation to Miss T to recognise that it ought to have done more to help. Miss T didn't think this was sufficient because she felt the bank was responsible for all of the money she lost through gambling.

I issued a provisional decision in March this year setting out why I thought the bank's offer of compensation was fair and reasonable. I said, in summary, that:

- One of the Financial Conduct Authority's strategic objectives is to protect customers. The Principles for Business require businesses to pay due regard to the interests of its customers and treat them fairly. And it's published a number of occasional and consultation papers about vulnerable customers and the need to treat them fairly dating back to, at least, 2015. The British Bankers' Association also published a report about *'improving outcomes for customers in vulnerable circumstances'* in February 2016.
- There is currently no industry-agreed definition for problematic or harmful gambling. But I cited various publications and concluded it wasn't in dispute that harm could arise, or be suffered, as a result of compulsive gambling.
- Miss T's complaint was not straightforward to decide and I had to balance a number of competing obligations. The first being that Barclays is expected to process payments that Miss T authorises it to make. But I also had to take account of the wider issues noted above. And there are also some situations where we believe banks, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customers' authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.
- Miss T told us she has bipolar disorder and entered a manic phase on 26 August, which is what led to her spending so much on gambling in such a short space of time. She also said she'd banked with another current account provider in the past, but her account was closed in July/August 2019 because she'd gambled excessively from it and the provider didn't have the facility to stop the transactions, so it asked her to seek alternative banking arrangements. I thought it safe to assume from this that Miss T had some understanding that it can be difficult for banks and building societies to help customers

with gambling problems. Yet there was nothing to suggest she warned Barclays about her condition at any point between the date she opened the account in March 2019 and 27 August 2019 when she first complained about the bank's failure to stop her gambling.

- Despite what she's said, I thought it more likely than not Miss T responded twice to a text message the bank sent her 26 August 2019 after flagging potential fraud on her account after she attempted to make four payments to gambling companies, totaling £500, within less than 10 minutes. And the second response likely confirmed the transactions were genuine. I didn't think an obvious pattern of excessive gambling had emerged at the point the bank sent those texts. And, overall, I didn't think the transactions and text message exchanges that took place ought to have put the bank on notice at that particular point in time that Miss T might have needed additional support.
- I was somewhat surprised Barclays' fraud systems didn't trigger again given the volume of transactions and the amounts Miss T subsequently spent on gambling after the block was lifted on 26 August until 15:00 the following day when she called the bank. But Miss T had admitted it was she who made the payments, she was spending her own money and I thought it arguable there was a limit to how much a bank should interfere with such spending choices. The bank was still unaware, at that point, of Miss T's mental health condition or that she had a problem with gambling. I also noted the evidence indicated that just a few days before Miss T started using her Barclays account to gamble, she had withdrawn over £19,000 of winnings from one of her online gambling accounts. Some of what she spent from her Barclays account might have related to those winnings and she hadn't complained to the bank about her spending until after she spent a lot on gambling but failed to win in the way she had done previously. Overall, I couldn't fairly say the bank was responsible for Miss T's spending during that period of time or should refund any of the payments she made.
- Miss T called the bank at 15.00 on 27 August 2019 to tell it she had a gambling problem and bipolar disorder. And she made a number of further calls to the bank after that over the next 24 hours or so. I thought the bank could have better handled its interactions with Miss T during some of those calls and some unnecessary confusion was caused along the way. A gambling block was applied to Miss T's account in one of the later calls. It also wasn't clear why a gambling block hadn't been offered sooner, but no financial loss had resulted from that omission. The bank had, latterly, admitted it could have done better. I took all this into account when deciding whether the bank's offer of compensation was sufficient.
- The gambling block appeared to have worked for a time, blocking some payments to gambling companies, but was subsequently removed by Miss T on 30 August 2019. I thought Miss T sounded clear and calm and was able to pass the bank's security checks during phone calls that took place around that time. I didn't think the bank ought to have realized she was in the grips of another manic episode or was unable to make reasonable decisions. Gambling blocks vary from bank to bank and I hadn't seen anything which suggested Barclays told Miss T it would take any additional steps if she did try to remove the block. I didn't think, in the particular circumstances of the complaint, that it was inappropriate for the bank to allow the gambling block to be removed.
- After the gambling block was removed, Miss T transferred money into her account from an account with another bank and made a further 18 payments to gambling companies between 30 August and 10 September 2019. The volume and frequency of payments had decreased from the earlier spending pattern and there were longer periods when it seemed Miss T was better able to control her spending. She sounded calm and composed in one call to the bank during this period of time. But in a later call she

sounded more agitated and repeatedly mentioned her mental health disorder and financial difficulties. She also asked twice for her account to be closed to try and help prevent any further spending, yet the bank said it was unable to help. Miss T spent more money on gambling after that call and then called the bank again. At that point Barclays was more helpful and her debit card was cancelled again to prevent further spending. The bank told us it is committed to supporting customers impacted by gambling harm and/or those who are otherwise vulnerable. But that didn't seem to accord with the treatment Miss T had received in every call. I had difficulty understanding why her card wasn't cancelled sooner as that might have prevented the later payments. But I thought Miss T might've made those payments through other means, be that using her other bank account or through the other payment methods she had in place (which seemed to be considerable, given some information we'd received from one of the gambling companies). I took all of this into account when deciding whether the bank's offer of compensation was fair.

- I thought it fair to say Miss T was still responsible for her actions, even when in the grip of a compulsion. But, overall, it was clear to me that the service and support Barclays provided had fallen short at times. And there was a possibility it might have been able to prevent some of the later transactions, after Miss T told them about her mental health condition and problem gambling which totaled in the region of £2,000. But I also had to consider that Miss T's apparent complex needs might've made it more difficult for the bank to support her in the way she seems to have needed. And, even if the bank had taken additional steps to prevent some of the payments, her compulsion to do so might have meant she'd still have found ways to gamble and suffered the same losses. So I couldn't fairly instruct Barclays to refund the majority of the payments Miss T had made. While it was arguable the bank should refund the payments that took place after she called at 16.26 on 10 September I noted Barclays had already made an offer that exceeded that amount. Having considered the overall impact the bank's failures had on Miss T and, in all the circumstances, I thought the offer of £2,500 was fair and reasonable.

Barclays agreed with my provisional findings, but Miss T did not. She said, in summary, that:

- She couldn't have gambled using facilities offered by other providers. The account she held with another bank had a gambling block in place with a 48-hour cooling off period which also required a phone call before removal was possible.
- Barclays knows she has bipolar disorder because she has a vulnerable person trust fund account with them.
- Various members of the bank's staff and our investigator said, at various points in time, that she would get all her money back with compensation. I shouldn't ignore that she can be articulate while being in a manic episode. I should listen to all the calls she had with the bank and award a full refund.

### **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.

The concerns Miss T has expressed about the way we've handled her complaint has been dealt with separately to this decision. I've reviewed the case afresh and have reached what I consider to be a fair and reasonable decision, irrespective of what the investigator concluded.

I've still seen nothing which supports Miss T's assertion that the bank knew, or ought to have known, about her mental health disorder before she told it about this in the 27 August phone call. Barclays has provided (in confidence) evidence about the trust fund account that Miss T mentioned in response to my provisional decision. I'm satisfied from this that she's not a trustee or a named individual on the account – so her personal details are not held in relation to that account – and the account is not linked in any way to her current account. Nor do I believe the two accounts ought to have been linked or, if they were, that this would have made the bank aware of Miss T's condition.

Miss T also says she couldn't use her other current account to gamble because she had an active gambling block on it which, she seems to suggest, she wouldn't have easily been able to remove. It seems likely that's the reason she repeatedly transferred money from that account to the one she had with Barclays, before spending it on gambling. And that further suggests to me that she was willing, and able to take the necessary steps to circumvent any blocks or support that may have been put in place in order to continue gambling. Also, as I said before, the evidence I've seen suggests she might have other means of making payments. So, even if Barclays had done more to block any of the payments to gambling companies she made from her current account, Miss T might well have still gambled the money via other means.

Miss T has referenced conversations she had with the bank in which she says certain promises were made about money being refunded. Also that I shouldn't base my decision on how articulate she sounded during phone calls. I accept the possibility she was in the grips of manic episodes when she made some of the calls. But the point I was making is that I didn't think the bank ought to have realised purely from the way Miss T presented during those calls that she might need additional support. I have reached my decision after reviewing all the available evidence. I've taken into account what was discussed during Miss T's phone calls with the bank and I agree, at times, it could've done more to help and likely caused some confusion. But, overall, for the reasons set out in my provisional decision and summarised above, I don't think that means Barclays should pay more than it has already offered.

Overall, I remain satisfied that the bank's offer of £2,500 is fair and reasonable compensation in all the circumstances of this complaint.

### **My final decision**

My final decision is that Barclays Bank UK PLC should pay £2,500 to Miss T in full and final settlement of her complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 10 June 2021.

Ruth Hersey  
**Ombudsman**