

## **The complaint**

Mr M complains about Barclays Bank UK PLC trading as Barclaycard and their failure to prevent him from using his credit card for gambling transactions.

## **What happened**

Mr M held a credit card with Barclays, which from June 2015 had a credit limit of £4,300 with a cash limit of £1,250.

In 2017, Mr M experienced financial difficulties which Barclays were made aware of. This led to a suspension of his account. But following Mr M's request, his more recent payment history and in response to a complaint he raised, Barclays re-instated the account the account in early 2018.

In August 2019, Mr M utilised the account's cash limit to make gambling transactions on the account. And this meant Mr M then struggled to meet the minimum monthly repayment on the account. Mr M was unhappy with this, so he raised a complaint.

Mr M didn't think Barclays had acted reasonably by allowing him to use his account to gamble. He thought Barclays should've stopped the payments from going through as they would've been aware in 2017 that he was listed as vulnerable. And he thought they should've recognised the transactions as unusual activity on his account, as they were made in a short space of time. So, he wanted Barclays to refund any interest and charges that had been applied to his account that related to these transactions and to be compensated for the upset he'd been caused.

Barclays responded and didn't agree. They didn't think they were made aware Mr M was suffering from a gambling addiction. And they explained that at the time Mr M made the transactions, credit cards were able to be used for these kinds of transactions. They advised as Mr M had used the card for these types of transactions before, they didn't think there was anything to suggest the transactions should be blocked. And so, they didn't think they'd acted unfairly or that they needed to do anything more. Mr M remained unhappy with this response, so he referred his complaint to us.

While the complaint was with our service, Mr M made several comments and raised several points about the service Barclays provided and the issues he wanted to be considered. Our investigator considered these when providing their outcome. And having done so, they didn't uphold the complaint.

They explained they were unable to look into the affordability of the account, the interest and charges applied to it and the measures Barclays took to protect the account when Mr M made them aware of the difficulties he faced in 2017 as our service had already considered these under another complaint reference. So, instead, they explained their view focused on whether Barclays acted fairly when allowing Mr M to use his account for gambling transactions in 2019. And they also considered Mr M's unhappiness that Barclays didn't review his account and reduce his credit limit sooner, and the actions Barclays have taken to arrange for the account to be repaid. And having done so, they thought Barclays had acted

fairly and so, didn't think they needed to do anything more.

Mr M didn't agree. Although Barclays wasn't made aware of his gambling addiction, he thought they were aware of his inability to manage his finances due to his mental health. And he thought the gambling transactions represented unusual activity on his account, so he thought Barclays should've stopped the transactions before they went through. Mr M also referenced his age and what a fair credit limit should be in comparison to that and he maintained his belief his account and its limit should've been reviewed sooner.

Our investigator responded explaining their review remained unchanged, responding to the main points Mr M raised. And Mr M responded raising further points about why Barclays re-instated his card in early 2018 and why no affordability checks were undertaken.

Our investigator explained as the card was reinstated with the same limit, no affordability checks were required at that time. And they explained Barclays issued a final response regarding the actual card suspension in 2018, so this couldn't be considered by our service as it wasn't referred to us within six months of that response. And they reiterated again that the way the card was managed after 2017, and the affordability of it, had already been looked at by our service. Mr M remained unhappy with this response, so the complaint has been passed to me for a decision.

### **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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. I want to reassure Mr M I've considered all the points and comments he's made even though some of these may not have been noted within the decision.

Before I explain how I've reached my decision, I think it would be useful for me to set out exactly what I've been able to consider. I've seen our service has investigated Mr M's complaints about the card's affordability and so the limit Mr M was given, the interest and charges applied to the account and the safeguarding measures Barclays put in place in 2017 under a separate complaint reference. Because of this, I'm unable to consider these points further.

I've also seen under this complaint reference, we considered Barclays decision to suspend Mr M's account in 2017. And we commented on Barclays decision to reinstate the card as part of their complaint response. So, as our service considered the accounts affordability, and the reinstatement was commented upon, I'm unable to comment on the affordability of the account after the card was reinstated.

So, instead, I've focused on the new issues Mr M raised with Barclays, primarily the fact they allowed Mr M to spend a significant amount of his credit limit on gambling transactions. And his belief they've failed to work with him to agree a reasonable repayment plan. I've also thought about whether Barclays should've reviewed the account sooner to reduce the credit limit, which Mr M thinks they should've done.

First, I want to recognise the impact this complaint has caused Mr M. It's clear Mr M made several gambling transactions on his card in August 2019, which increased his outstanding balance and so, the minimum monthly payment he'd have to make. And I understand Mr M has struggled to meet this monthly payment, which I can appreciate would've been both

worrying and upsetting. As Barclays provided the card to Mr M, I can understand why Mr M would feel as though they were responsible for his situation as they had a duty to protect customers and their accounts.

But for me to say Barclays have done something wrong, I'd need to be satisfied that they should've been reasonably aware of Mr M's gambling addiction and so, the danger that allowing those transactions posed to Mr M's mental health and his financial situation. And that they failed to take reasonable action despite this awareness. And in this situation, I don't think that's the case.

I think it's important to note that Mr M has accepted he didn't make Barclays aware he was suffering with a gambling addiction. This is not to say I think Mr M has done something wrong here, as I recognise addiction is a mental illness and it can impact people in different ways, and this can make discussing the problem difficult. But when considering the complaint about Barclays, I must take into consideration the information Barclays had available to them, and were aware of, at the time as we're an impartial, independent service that must act fairly towards both parties.

As Barclays weren't aware of Mr M's gambling addiction, I wouldn't expect them to see a gambling transaction and automatically assume it should be blocked. When Mr M made the transactions, gambling transactions were authorised to be made using credit card accounts. It wasn't until April 2020 that credit cards were no longer permitted to be used for gambling purposes. So, I don't think a gambling transaction itself showing on Mr M's account would've necessarily been a cause for concern for Barclays.

While I do appreciate Mr M made a series of gambling transactions in a short amount of time that accumulated to a significant amount, I don't think this meant Barclays had a duty to stop these payments from going through. I can see Mr M's account had been cleared in the months before he made the transactions, which would've suggested to Barclays that he was in a healthy financial position. And in the year before, Mr M had asked for the card to be reinstated as he'd found new employment and had shown he was able to maintain the account and its minimum payments. While I know it was Mr M's family that cleared this balance, I don't think Barclays could've known this. And when Mr M used the card to make the gambling transactions, I can see around the same time he used the card for other purchases, such as shopping and the payment of insurance policies.

So, from the information Barclays had available to them, I don't think it showed Mr M was using the card in a way that required them to intervene. Mr M was able to use the card as he wished and its standard industry practice for lenders to assume a customer will utilise the full credit limit and there are no set restrictions on how they are able to spend that. Because of the above, and the fact Barclays weren't made aware of Mr M's gambling addiction, I don't think I'm able to say they acted unfairly on this occasion.

I'm recognise Mr M won't agree with this. And I recognise Mr M thinks Barclays were made aware of his vulnerability, and his inability to manage his finances in 2017. I've looked at the information both Mr M and Barclays have provided me, which does show Mr M struggled financially in 2017 and I think it's clear his mental health suffered because of this. But this vulnerability was recorded a significant amount of time before Mr M made the gambling transactions. And during the period between the vulnerability being recorded, and the transactions being made, Mr M had told Barclays his situation had improved as he'd found new employment. And he'd maintained his account well, making the monthly repayments on the account and reducing the outstanding balance, before clearing it altogether. So, I don't think Barclays acted unfairly when allowing the transactions based on Mr M's more recent use of the account and information he'd provided them, rather than the vulnerability and financial difficulties that were noted years previously.

Mr M has also referred to the fact Barclays have since reviewed his account and reduced his credit limit. And he feels they should've done this sooner and if they had, he wouldn't have been able to accrue the amount of debt he has which he's struggled to repay. But there aren't a set amount of times a lender needs to review a customer's account. And any reduction in credit limit will be based on several factors, which can change depending on the accounts position from one moment in time to another. Between Mr M asking Barclays to reinstate his account, and the date of the gambling transactions, I can see Mr M maintained payments to the account which reduced his balance, eventually to zero. So, I don't think there was any information to suggest to Barclays that his limit should be reduced based on his account maintenance.

I recognise Barclays also use information shown through credit reference agencies to consider credit limits but again, the information shown on these reports can change each month. So, as it's a fluid process that's dependent on several factors, I'm unable to say that Barclays have acted unfairly by not reducing the credit limit when Mr M thinks they should've done. But I'm glad to see they have done since, which I think shows Barclays attempting to protect Mr M from entering into further debt.

And finally, while I'm unable to comment on the affordability of the account, I'm aware Mr M is unhappy that the account was reinstated at all in 2018. I want to clarify to Mr M that as the account was re-opened, it would not be classed as a new lending application. So, Barclays had no obligation to complete additional affordability checks as these would've been completed at the time the account was opened. The guidance on this did change in September 2020 but as the re-opening was before this date, I can't say Barclays did anything wrong by not completing further additional checks. But what I can say is I can see Mr M emailed Barclays on 7 January 2018 explaining he'd started new employment in June 2017 and had maintained his account on the premise the account would be reinstated. So, Barclays were given assurance by Mr M that he was able to afford the account and wanted to make use of it. And I don't think they were unfair to act on the information and instructions provided by Mr M.

I'm aware Mr M has since asked Barclays to stop applying interest to the account so he's able to make monthly repayments that will decrease the balance. I can see the account is suspended, to prevent any further spending. Barclays have asked Mr M to speak to the relevant department to arrange a repayment plan, but I can't see Mr M has done so. While I would expect Barclays to act positively and sympathetically to Mr M's situation, I also think Mr M has a responsibility to engage with Barclays and follow the process they've set out.

In this situation, I think Barclays have taken action to prevent Mr M from building further debt. And they've offered Mr M the chance to discuss his repayment options. So, I think this shows them acting positively and sympathetically and it's now up to Mr M to engage with this process.

Because of the above, I'm unable to say that Barclays have acted unfairly regarding the complaint points I've been able to consider and because of this, I don't think they need to do anything further.

### **My final decision**

For the reasons outlined above, I don't uphold Mr M's complaint about Barclays Bank UK PLC trading as Barclaycard.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 May 2022.

Josh Haskey  
**Ombudsman**