

The complaint

Mr A complains that National Westminster Bank Plc (NatWest) allowed three gambling transactions to go through on his account despite being aware of his gambling addiction and placing a block on his account.

What happened

In October 2021, Mr A visited a casino and made three gambling transactions totalling £9,500, all within half an hour. He feels that NatWest should have blocked the transactions, or at the very least they should have contacted him before allowing the money to leave his account.

He said NatWest were aware of his gambling addiction as a complaint had been raised with them in 2018. He's also unhappy as he was only made aware after raising his complaint that there is a setting on his banking app that he could have activated to prevent these types of gambling transactions from going through.

NatWest explained that they did place a block on Mr A's account for gambling transactions in 2018 and confirmed at the time that the block wasn't guaranteed. They said that Mr A raised a complaint following the block being put in place about another transaction that had taken place, and they had explained that stopping the transactions isn't a guarantee. The complaint was also brought to our service, and we agreed.

NatWest also said that Mr A had removed the self-exclusion on visiting a casino in August 2021, and that this enabled him to carry out the transactions in October.

Our investigator was of the opinion that NatWest hadn't made any mistake or acted unfairly in allowing the transactions to go through. He explained that while a block was in place on Mr A's account when he made the payments, they aren't always guaranteed. He explained that NatWest's system didn't fail to recognise the transactions, but that it was due to the Merchant Category Codes (MCC) that were used by the gambling merchant. He explained what these were and how they related to Mr A's circumstances.

He also said that while NatWest hadn't previously told Mr A about the gambling control feature on his app, he didn't believe it would have made a difference to the overall outcome of the complaint as the feature wouldn't necessarily work if the transactions were to go through as "offline" ones, which is usually the case for chip and pin (which Mr A used).

Mr A disagreed with our investigator's opinion and so his complaint has been passed to me for review.

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 considered everything, I agree with the outcome reached by our investigator for the same reasons. I will explain why.

I note that Mr A raised a complaint with our service back in 2018. While I have considered events that took place at that time, I have considered this complaint on its own merit.

NatWest placed a gambling block on Mr A's account in June 2018. At the time, they explained the block wasn't always guaranteed and that some transactions could still be processed.

When a gambling block is placed on an account, a bank will use MCCs to try and identify transactions that should be stopped.

NatWest have explained that an MCC is a four-digit number that is used to identify merchants by the type of goods or services they provide. There are around 900 individual MCCs and these are assigned by merchant type, or merchant name.

The code used shows the merchant that the customer has asked for payments to them to be prevented, but the merchant can still process the customer's payment request.

The payments made by Mr A were also chip and pin, which go through a different authentication process compared to an online payment for example, and there is much less of a chance they would be stopped.

When NatWest's case handler spoke to Mr A, he confirmed he had made the payments at a casino. NatWest have provided evidence of the MCC that was in place when Mr A visited the casino, and it wasn't one recognised as a gambling one, meaning the block was in place, but didn't work.

The case handler also asked Mr A about self-exclusion and if he had done this previously. Mr A confirmed that he was self-excluded until August when he removed the exclusion.

Having considered this, I can't see what more NatWest could have done in this situation. The block was in place at the time the payments were made, but as has been previously confirmed, a block couldn't always be guaranteed. It would also be impossible for NatWest to monitor every transaction someone may make. Given that the MCC used wasn't one recognised as a gambling one, and as chip and pin transactions are usually a lot more secure and therefore allowed to go through, I can't see what else NatWest could have done to stop the payments from being taken.

In relation to the gambling block feature on Mr A's banking app, I can see that NatWest sent him an email in December 2021 explaining how it works. While I appreciate that Mr A is unhappy he wasn't told about this feature until after he complained, it only became available on the app in September 2019, after his initial complaint was made.

As Mr A had previously made NatWest aware he had a gambling problem, I think there would've been an onus on them to have let him know that the block was available. However, he had removed the self-exclusion tool prior to visiting the casino, and the block would work in much the same way (it's not permanent and he could opt in and out whenever he wanted). So I don't think that telling him the block feature had been launched would've made a fundamental difference.

Also, as the transactions were chip and pin and therefore shown as "offline" ones, it's likely they still would have gone through even if the block had been activated.

I do appreciate Mr A's feeling on this matter, and while we always take complaints about gambling addiction very seriously, I can't say that NatWest were at fault here. I know this

isn't the outcome Mr A was hoping for but I hope I have explained why I'm not able to ask NatWest to return the money spent by Mr A.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 January 2023.

Danielle Padden
Ombudsman