

The complaint

Mr Z has complained that National Westminster Bank Plc (NatWest) continued to allow him to place gambling transactions after he asked it to put a gambling block on his account.

What happened

Mr Z called NatWest on 11 December 2020 to notify it that he had a gambling problem and to see if it could put a block on his account and assist him in raising a chargeback dispute against a gambling retailer, which I will refer to as 'B', to help him reclaim his lost funds. Mr Z explained that seven years ago it had contacted B and advised it that he had a gambling problem. Since then he hadn't placed any bets with B. But during the pandemic Mr Z, tried to place a bet with B and the transactions were authorised. As such, Mr Z wanted to raise a charge back dispute, as he felt that B shouldn't have allowed him to place any bets due to it being aware of his gambling addiction.

During the call with NatWest on 11 December 2020 Mr Z was advised that he could contact the disputes team who would try and get Mr Z's money back by raising a chargeback, but it couldn't guarantee this would be successful. The advisor also said she could refer Mr Z to an account protection manager (who would assist him with his specific circumstances) and suggested he also speak to collections as his account was operating outside his agreed overdraft limit. She also offered Mr Z support by referring him to another adjudication service.

Mr Z called NatWest on 14 December 2020 to try and raise a dispute and was told NatWest would submit a debit card dispute. The advisor explained that if the retailer says they were not notified or made aware of Mr Z's gambling issues, the dispute wouldn't be successful. The advisor told Mr Z he could go to the online application and put a block on the account via 'manage my card'. He was also advised that retail disputes could put a block on the account for him. The advisor then went on to assist Mr Z and helped him select the correct option for him to raise a dispute.

On 15 December 2020 Mr Z spoke to NatWest again, during this call he was told a dispute couldn't be raised as gambling transactions fell outside of the chargeback rules and NatWest did not have a chargeback right against these. Therefore, these transactions would not be able to be disputed.

Mr Z contacted NatWest on 30 December 2020, again to discuss his gambling addiction and to discuss further payments for gambling retailers that have been authorised, despite him being under the impression a block was on his account. Mr Z specifically mentions retailer 'V'. Mr Z is told a dispute can't be raised due to it being gambling transactions which he authorised and reminds him that when the stop was put on his account, he was told that it was not guaranteed. Mr Z remained unhappy and was very confused as to why gambling transactions were still being authorised. So, he raised a complaint.

NatWest looked into Mr Z's concerns and issued its final response on 19 January 2021. NatWest said it hadn't found any error in the efforts it made to try and assist Mr Z. It confirmed that when a block against gambling retailers is put on an account it is only an

attempt to prevent any further payments from being taken and is not guaranteed to block all types of gambling payments from leaving the account. NatWest confirmed this information was sent to Mr Z in an email.

Mr Z remained unhappy, so he brought his complaint to our service. Our investigator looked into the complaint and felt that the service Mr Z had received was not satisfactory. She said that she felt NatWest could have done more to help Mr Z. As such she said that NatWest should pay Mr Z £250 for the distress it had caused him. NatWest accepted the investigator's findings. But Mr Z didn't, as such the case was referred to me to consider.

I issued my provisional findings on 9 May 2022, which said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have listened to all the call recordings provided by NatWest (however, I am minded that not all calls that took place were available). I have also considered all correspondence sent to Mr Z, questions our service asked NatWest and NatWest's policy.

Having listened to Mr Z's first call to NatWest on 11 December 2020. I am satisfied at this stage Mr Z explains he is vulnerable, has a gambling addiction and it is clear he is asking the bank for help. While support was offered in regards to referring Mr Z to an account protection manager and the collections team, I can't hear that the option to have a 'stop request' put on the account to stop further transactions from taking place (compounding Mr Z's vulnerability) was discussed.

It is disappointing that this wasn't discussed during this call. The FCA's guidance for firms on the fair treatment of vulnerable consumers makes it clear that front end staff should be able to identify vulnerability and ensure consumers are being treated fairly. And I am not satisfied in this call this happened. Mr Z should have been made aware at this point that a block 'stop request' could be put on his account and an explanation of what that meant for Mr Z should have been provided.

On the call which took place on 14 December 2020, I can see that Mr Z was made aware about the possibility of putting a stop on the account and it's important to note that Mr Z initiated this call). However, despite there being a further call (on 15 December 2022) where Mr Z again discusses his addiction, it appears, from the evidence provided by NatWest that a stop wasn't put on the account until 20 days after Mr Z made NatWest aware. Our service asked NatWest the following:

"I can't see any notes confirming when this stop was activated."

NatWest responded by email and said:

"The first stop was placed on 31 Dec 2020"

NatWest had provided evidence to show that when a 'stop' is put on an account for a customer, they are sent the following disclaimer:

"Thank you for contacting us. We have placed a stop request against online gambling transactions on your debit card; this can take up to 3 working days to be active. This is not a guaranteed stop or block and will remain active on your account for 6 months. If any further online gambling transactions debit the account, the bank would not be in a position to dispute or refund the payments."

Having reviewed Mr Z's account statements, I can see several gambling transactions took place between 11 December 2020 and 31 December 2020. It is unclear why it took NatWest 20 days to put a stop on Mr Z's account, especially considering Mr Z (in the call he made to NatWest on 30 December 2021) was under the impression a stop had been put on his account. And while I can't be certain that these transactions would have been stopped if the block had been put on sooner (due to the disclaimer issued by NatWest) it is evident, NatWest didn't act promptly or in the interest of a vulnerable consumer in this instance.

I have also gone on to consider the nature of the call Mr Z had with NatWest on 30 December 2020. As outlined above, by NatWest's own admission, the stop wasn't on the account, so when Mr Z rang to query why gambling transactions to V had been authorised, he should have been told at that point the stop wasn't on his account. Instead, the stop was actioned a day later, after Mr Z had raised a complaint.

During that conversation NatWest explained that a stop was only applied to merchant codes, it couldn't possibly apply a stop to merchant names due to the numerous ID's merchants could trade under. However, it appears, NatWest was saying, it is more affective to apply a block to merchant codes opposed to Merchant names, as NatWest went onto eventually apply blocks to several merchant names in April 2021.

With that in mind, given the fact that Mr Z had specifically mentioned retailer V during the call he made with NatWest on 30 December 2021, and the multiple transactions he had placed with retailer V, since making NatWest aware of his issue on 11 December 2020, I think it would have been reasonable at that point for NatWest to have placed a block on Merchant V, as it went on to do so in April 2021. I say this because, NatWest were made aware of that retailer as Mr Z had mentioned it several times during the call. And it appears it had the power to specifically block that Merchant name. Also, NatWest agrees it should have taken this action sooner from reviewing the correspondence it provided to our service.

As such, I am not satisfied Mr Z has been treated fairly as a vulnerable consumer. NatWest didn't suggest putting a stop on the account at the first instance, delayed applying the stop when Mr Z requested it and delayed blocking retailer V.

In order to put things right NatWest should:

- *Refund all gambling transactions in regards to retailer V from 11 December to 30 April 2021. NatWest should deduct any winnings made from the bets placed to retailer V.*
- *NatWest should pay Mr Z £350 for the distress and inconvenience it has caused by not treating Mr Z as a vulnerable consumer and putting the appropriate measures in place.*

NatWest agreed with my provisional findings. However, Mr Z remained unhappy. He said he believes all gambling transactions from 2020 should be refunded as he had made NatWest aware of his gambling addiction on several occasions and they continued to let him trade. As such he holds them account and feels all gambling transactions should be refunded. He also said that he didn't agree that NatWest should refund gambling transactions in regard to retailer V from 11 December 2020 to April 2021, as there were no further transactions and therefore there would be nothing to 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.

Mr Z has left two voicemails on 17 May 2022 with his comments for my consideration, as well as two phone calls with our investigator after the provisional findings were issued. I understand he is very concerned I haven't considered or listened to his points. As explained above, I have considered all available evidence and arguments, including listening to his voicemails and calls with the investigator.

However, having done so, it hasn't changed my findings. I will explain why.

Mr Z has said that NatWest should refund all the gambling transactions he made in 2020, as he had made them aware of his gambling addiction on several occasions. Having listened to Mr Z's call on 11 December 2020, I can see that Mr Z had said he notified a gambling retailer B about his gambling issues and asked them to close his complaint. It appears from listening to the call, that this was the first time he notified NatWest about his gambling issues. While I did hear Mr Z say he had notified all gambling retailers he had previously placed bets with there was no mention of him previously mentioning it to NatWest. And this is consistent with NatWest's contact notes. So, while I don't dispute Mr Z's recollection of events, I am persuaded that this was the first time he had made NatWest aware of his gambling issues. As such, I can't hold NatWest responsible for the transactions placed prior to 11 December 2020.

As I mentioned in my provisional findings, it took NatWest 20 days from when it became aware of Mr Z's issues to put a stop on his account. However, even if the stop had been placed on the 11 December 2020 (as it should have) I can't be certain that all gambling transactions would have been blocked. I say this because, when a block is put on the account, NatWest send this disclaimer to its customers:

"Thank you for contacting us. We have placed a stop request against online gambling transactions on your debit card; this can take up to 3 working days to be active. This is not a guaranteed stop or block and will remain active on your account for 6 months. If any further online gambling transactions debit the account, the bank would not be in a position to dispute or refund the payments."

So, while a block could have been put on the account on 11 December 2020, NatWest's disclaimer explains it isn't a guarantee because a stop can only be applied to merchant codes, it couldn't possibly apply a stop to merchant names due to the numerous ID's merchants could trade under. Which I understand and can't say is unreasonable. So even if the stop had been applied sooner, its probable, that if Mr Z continued gambling (as he did) not all transactions would have been stopped.

However, NatWest did eventually apply blocks to several merchant names in April 2021. Highlighting it was possible to block these specific retailers once it was made aware of their trading names. So given the fact that Mr Z had specifically mentioned retailer V during the call he made with NatWest on 30 December 2020, and the multiple transactions he had placed with retailer V, since making NatWest aware of his issue on 11 December 2020, I think it would have been reasonable at that point for NatWest to have placed a block on Merchant V. And it went on to do so in April 2021. But it's not reasonable to ask NatWest to refund transactions prior to it being made aware of Mr Z's gambling issues, or for transactions which would have still proceeded regardless of the block due to the merchants ID.

Mr Z has said there were no further gambling transactions after 11 December 2020, so this decision isn't beneficial to him. But I don't agree. I have reviewed his statements and I can see several gambling transactions to retailer V on 29 December 2020 and 4 January 2021.

Therefore, for the reasons I have explained above my decision remains the same as I highlighted in my provisional findings.

Putting things right

In order to put things right NatWest should:

- *Refund all gambling transactions in regards to retailer V from 11 December to 30 April 2021. NatWest should deduct any winnings made from the bets placed to retailer V.*
- *NatWest should pay Mr Z £350 for the distress and inconvenience it has caused by not treating Mr Z as a vulnerable consumer and putting the appropriate measures in place.*

My final decision

My final decision is that I uphold Mr Z's complaint and require National Westminster Bank Plc to compensate Mr Z as I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 7 July 2022.

Jade Rowe
Ombudsman