

## **The complaint**

Mr M complains that National Westminster Bank Plc (“NatWest”) allowed him to use his funds for gambling.

## **What happened**

Mr M contacted NatWest in 2016 and asked them to place a gambling block on his debit card. Despite this, he was able to make payments to a betting company – who I’ll refer to as company G. So, Mr M complained. NatWest responded and explained, due to the time lapsed, as well as Mr M’s recent account closure, they were unable to confirm whether the block was applied in 2016. They explained they’d also been unable to locate any information to determine how and why Mr M was able to make further payments to company G. NatWest said the gambling block doesn’t 100% stop all gambling payments and if any are made then NatWest aren’t liable to refund the payments. NatWest said this should be explained to all customers prior to the block being applied but, because of the time lapsed, they’d been unable to locate the call where the block was requested so they can’t confirm this explanation was given to Mr M.

NatWest explained they’d checked their records and located payments to company G between November 2018 to September 2019 totalling £18,564. They then identified a total of £13,469.39 paid into Mr M’s account so they agreed to refund Mr M the difference of £5,094.61. NatWest also explained they understand Mr M is unhappy he has been able to make payments to another gambling company – who I’ll refer to as company K. NatWest explained the gambling block was in place on Mr M’s debit card, but these payments were made using online banking and sent via Faster Payment. NatWest explained, when they apply a gambling block to a debit card, it is only debit card transactions which are prevented from making payments to gambling companies. NatWest said they have no control over payments which are made through online banking.

Our investigator looked into things for Mr M. He thought NatWest didn’t need to refund Mr M any of the gambling transactions made to company K but felt they should’ve offered Mr M more support for his gambling addiction. So, he recommended they pay Mr M £300 compensation. NatWest agreed but Mr M disagreed so the matter has come 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’ve decided to uphold the complaint. And, I think the investigator’s recommendation here is a fair way to resolve matters. I should also clarify, my decision has only focused on the complaint which has been addressed by NatWest in their complaint response in October 2021. NatWest have confirmed, if Mr M wishes to complain about other gambling transactions, he will need to raise these so they can investigate them first.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. The key facts about the part of the complaint relating to company G aren't in dispute. NatWest have admitted they got things wrong and have agreed to refund Mr M the difference between what he spent and what he received from the gambling transactions. There's no dispute from Mr M to this offer so I've looked at the remaining parts of Mr M's complaint.

I'll start off by saying, I can see Mr M has previously raised a separate complaint about gambling transactions carried out through his NatWest account. These transactions were to company R and NatWest accepted they'd made an error and agreed to refund the balance between what Mr M spent and what he received. Although I've considered this complaint on its own facts, I have reviewed the information from the complaint involving company R as NatWest's position on gambling blocks and the timelines also apply here.

In the complaint involving company R, NatWest provided evidence which shows they placed a block on Mr M's debit card on 21 May 2020 and it was set to expire on 21 June 2021. During this time, and between July 2020 to October 2020, Mr M was able to carry out gambling transactions with company R. NatWest accepted the block should've prevented Mr M from carrying out these transactions, so they were unsure how these went through. So, NatWest refunded the balance between what Mr M spent and what he received.

I can see the gambling transactions with company K were made between January 2021 to March 2021. Similar to the transactions with company R, these transactions were also carried out while the block was still in place. So, I understand why Mr M believes these should also be refunded. NatWest say the payments to company K were made by Mr M using his online banking and sent via Faster Payment. They say, when they apply a gambling block to a debit card, it is only debit card transactions which are prevented from making payments to gambling companies. NatWest say they have no control over payments which are made via online banking.

I've looked at Mr M's account statement and this shows all payments to company R were 'Point of Sale' transactions – meaning Mr M used his debit card and would've been required to enter his PIN. However, in the case of company K, the statement shows all transactions were made through online banking. So, I don't think the circumstances involving company R and company K are similar here – and I don't think it's unreasonable for NatWest to decline to refund transactions made to company K based on the gambling block that was in place at the time. That said, I've gone further to consider what other steps NatWest could've taken.

NatWest have explained that, between 2016 to October 2020, the process to apply a gambling block was different. They say Mr M would've needed to call them to apply a block. They say they can't now see whether this was the case due to the passage of time, but I've already explained the evidence I've seen which shows a block was in place from May 2020. NatWest say the process to apply a block then changed in October 2020 and Mr M would've needed to do this himself on his mobile app. NatWest say Mr M was thereafter in control of adding and removing the block himself.

I can see NatWest did explain to Mr M in November 2020 that this upgrade to their mobile app is an enhancement to what they already do. They said, to ensure they continue to block spending on Mr M's debit card for gambling, he should tick the relevant block box in the mobile app. NatWest say this block has the feature of a 48-hour cool off once turned on, so this allows Mr M time to really consider if he wants to turn the block back off again.

Offering support mechanisms like gambling blocks can be incredibly useful for people. But only if they are designed in a mindful and considered way. And while I appreciate that not everyone who chooses to apply a gambling block to their account will have a compulsive spending addiction, a number of them will. And so, the tool should be designed with this in mind. I think it's fair to say gambling blocks, like the one NatWest have in place, should be quick and easy to apply, but some friction and time delays should be in place in order to have them removed. Recovering gambling addicts have repeatedly explained that the desire to place a bet will dissipate over time. If they can be prevented in the moment from acting on their impulse, it can make a fundamental difference. And I think NatWest's feature of the 48-hour cool off period provides such friction and time delay to help prevent Mr M from acting on impulse.

It's important to recognise the type of gambling block provided by NatWest, and other financial institutions, are voluntary in nature, meaning that it's up to the account holder to implement the gambling block, and also that the account holder retains the option to remove the gambling block should they want to do so. While these voluntary gambling blocks do provide a degree of support for account holders who have a gambling addiction, they don't provide any guarantee that the account holder won't disable the block in order to continue making transfers to gambling companies. NatWest have provided evidence of Mr M's actions on his debit card and account, and this doesn't show Mr M placed a block using his app.

I do empathise with Mr M and I hope he is doing better now. I appreciate Mr M will be disappointed with the outcome I've reached. But based on everything I've seen I can't say Mr M's spending on gambling with company K is down to an error by NatWest. NatWest did have a block in place and, while this didn't appear to have worked as it should've, the way in which Mr M carried out his transactions with company K, means the block wouldn't have prevented these in any event. They also then introduced a further layer of protection in the form of an upgrade to their mobile app, but NatWest explain this doesn't completely stop all gambling payments and was reliant on Mr M downloading the app and checking the box. I think it's fair to say NatWest took reasonable steps to assist Mr M in accordance with their policies. So I can't fairly instruct NatWest to refund the payments Mr M made to company K.

NatWest accept their support could've been better at a time when Mr M was gambling frequently. They also agree with Mr M's complaint about being able to carry out transactions to company G despite the block being in place. NatWest have agreed to pay Mr M the £300 compensation recommended by our investigator. And I think this is fair and reasonable in the circumstances.

### **Putting things right**

I've taken the view that NatWest didn't provide Mr M with the support he required at a time when he was gambling frequently. So, NatWest should pay Mr M £300 compensation for the upset and frustration caused.

### **My final decision**

My final decision is that I uphold the complaint. National Westminster Bank Plc must pay Mr M £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 April 2023.

Paviter Dhaddy  
**Ombudsman**

