

The complaint

Miss K has complained that National Westminster Bank Plc ("NatWest") failed to properly support her when she disclosed she has a gambling addiction

Background

Miss K has said that in 2020 she contacted NatWest to ask if it could block gambling transactions on her account as she was gambling compulsively, and it was causing her financial problems. She says that at that time she was told there was nothing the bank could do to help her.

In February 2021 Miss K rang NatWest to complain that she had discovered, by browsing through the bank's app on her phone, that it did offer a gambling block. Miss K was upset that this hadn't been offered to her previously as she had lost a considerable amount of money by this time through gambling.

The person Miss K spoke to upheld her complaint in February 2021 and confirmed the bank should've done more to help her and ensured the blocked was added to Miss K's account. Miss K was given a nominal amount of compensation for the mistake. She was also given assurances that her account had been flagged to the vulnerable customer teams and some information on the support available to her.

In September 2022 Miss K got back in touch with the bank. She explained that she had suffered a major bereavement which had resulted in a prolonged period of mental ill health and distress. As a result. She had begun gambling heavily and had lost a considerable amount of money. She was in debt with lenders, friends and family and had had to sell her home to pay this off. She was extremely upset that the bank hadn't properly supported her and that gambling transactions had continued to be processed through her accounts despite the block being in place.

NatWest responded by explaining that the block had remained in place and had worked. However, the gambling websites Miss K was accessing online were based outside of the UK and so the block had failed to recognise them as gambling transactions because the merchant code used by these websites is different from the one the UK websites use. It explained that at the time the block was applied Miss K was warned it wouldn't necessarily stop every gambling transaction she made and so it didn't believe it had done anything wrong and didn't uphold her complaint.

Unhappy with NatWest's response Miss K brought her complaint to our service. I issued a provisional decision on Miss K's complaint on 14 March 2023. In it I said that NatWest had failed to provide Miss K with clear and transparent information about how the gambling block worked. I found this failure resulted in Miss K experiencing additional distress and upset at a time when she was already particularly vulnerable. For those reasons I said I intended to ask NatWest to pay Miss K £500 compensation. However, I did agree that the block had worked as well as it could've and so I didn't hold the bank liable for Miss K's gambling losses.

I asked both parties to respond with any additional comments by 11 April 2023.

Miss K responded to say while she remained unhappy that NatWest weren't be asked to refund the gambling transactions on her account she accepted the outcome I had reached.

NatWest didn't respond to the provisional decision.

As I've not received any new information relating to the complaint my findings remain the same and I am upholding Miss K's complaint.

For the sake of clarity I will repeat those findings here.

My Findings

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

When Miss K contacted NatWest in February 2021 to explain she'd found both the gambling block and the international payment block on her app she explicitly mentioned the fact she was using international gambling websites as she had already self-excluded from using UK based websites via GamStop.

Miss K explained that she was going through an enormously difficult time personally, her Mum, who provided her with real and direct support, was extremely ill and in hospital. The country was under lockdown, and Miss K was gambling heavily.

The person Miss K spoke to was extremely sympathetic to the problems Miss K was experiencing and apologised for the lack of support Miss K had received from the bank to date. She openly told Miss K that she was 'disgusted', and 'appalled' by the lack of support she had received when she had first contacted the bank in 2020 and said that there were mechanisms in place to stop the payments from going through.

She told Miss K about the gambling block and also mentioned the 'Visa Dispute Team' which she told Miss K could be contacted to stop payments to gambling merchants if the gambling block didn't work. She went on to tell Miss K that the bank had 'completely failed her' and that going forward the gambling block would be in place to help her. She then went on to arrange a refund of £66.01 in charges previously applied to Miss K's account as well as £40 compensation for the upset caused.

Having listened to all the calls between Miss K and the advisor in February 2021 when the block was applied, I do agree the advisor said that the block may not work on every single transaction. However, I don't think the limitations of the block were adequately explained so I can understand why Miss K finished the call with the assurance that there was support in place to prevent her from gambling online. While the advisor does say that 'one may slip through' she never expressly mentioned that the block won't be useful for international websites, which is what Miss K had specifically mentioned in her complaint at that time. But she does use very robust language in all the calls she has with Miss K and so I can understand why Miss K felt that going forward she would have extra levels of protection in place to prevent her from gambling online.

Following the call in February there was additional contact between Miss K and the same advisor in April 2021 which resulted in Miss K receiving a letter that acknowledged Miss K had asked about international gambling transactions. However, the letter only goes on to explain when the block will work and how. It never mentions the fact that the block won't work on international transactions. Indeed, other than repeating the query from Miss K at the start of the letter, it never mentions them again at all.

Sadly, Miss K's Mum passed away sometime after this and as a result of her loss, Miss K's mental health spiralled and she became extremely unwell. During this period she again resorted to online gambling as a coping mechanism and lost substantial amounts of money.

When Miss K contacted NatWest in September 2022 she spoke to an advisor who finally explained exactly how the gambling block works, what a merchant code is, and why the international transactions wouldn't be stopped by it. But this information should've been given to Miss K when she contacted the bank in February 2021, if not arguably in 2020, when she contacted it for the first time. She also offered to provide Miss K with a more basic style bank account which may limit the types of transactions she could complete online thus adding an extra layer of protection. Miss K asked whether this sort of account was available when she had contacted the bank first and was told it was. But there was no explanation as to why she hadn't been offered it previously.

The failure of NatWest to properly explain how the block worked, what its specific limitations are and what sort of support, it could offer (including more basic account options) has had a devastating impact on Miss K. She seemed to be of the belief that her account was being monitored and that the gambling transactions would be seen and prevented. But this was never the case. And it's not something the bank would be expected to do. However, it's vital that businesses are clear with what is and isn't possible when consumers ask for help. Especially when they are as vulnerable as Miss K was.

For those reasons I'm upholding Miss K's complaint. I do agree that the block worked as well as it could've; it was never going to stop her from being able to gambling via international websites. But NatWest failed Miss K by not properly explaining what the limitations around the block were, in particular with non-UK transactions. And it did this at a time when Miss K had been extremely open and honest about the difficult situation she found herself in as well as the distressing time her family was going through.

Putting things right

So with that in mind, NatWest should pay Miss K £500 compensation for the distress and upset caused by its failure to provide her with clear and transparent information about its gambling block.

My final decision

For the reasons set out above I uphold Miss K's complaint against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 11 May 2023.

Karen Hanlon
Ombudsman