

## The complaint

Mr B complains that Santander UK Plc did not do more to help him when he spent compulsively on his account in 2021.

## What happened

Both parties are aware of the circumstances surrounding the complaint, so I won't repeat them in detail here. In summary, Mr B made a series of gambling transactions between 19 October 2021 and 7 November 2021 to different merchants who I'll call 'W', 'L' and 'V'. Mr B feels these should be refunded as Santander were aware of his compulsive spending issues at the time.

Our Investigator looked into the complaint and felt Santander should refund all of the card transactions related to gambling between October and November 2021. And that Santander should reduce Mr B's cash withdrawal limit on his card to zero and pay him £200 compensation for incorrect information given about this part of the complaint. Santander disagreed with this and so the complaint was referred to me for a decision.

Based on what I had seen so far, I did not agree that the gambling transactions made by card should be refunded. But I did think the compensation should be increased to £350. My provisional decision read as follows:

*I can see that in 2019, Mr B did provide Santander with a copy of his GamStop certificate as part of a separate issue. So, I agree that Santander became aware at that point that Mr B had problems with compulsive spending in relation to gambling. At that point, they were unable to do much more other than direct Mr B to third party organisations who could offer him support.*

*Despite Santander saying a future dated card payment block (FDCP) had not been applied to Mr B's account until November 2021, their internal notes suggest one was in place in October 2019, as Mr B has confirmed. An FDCP block can be placed against certain merchants to prevent future card payments being made to them. However, the block was removed on 30 October 2019 and the reason for this is not clear. One internal note from Santander states the block was removed by Mr B, however Mr B was surprised it was no longer in place in October 2021.*

*In any event, Santander has confirmed that these FDCP blocks are primarily designed to be used for recurring subscriptions as opposed to an aid for curbing gambling, and that they do drop off the account after some time. As the block was placed at least two years prior to the transactions Mr B is disputing, I don't think it is unreasonable that they would no longer have been in place in October 2021 if they hadn't been removed in October 2019. So, I can't agree that Santander has made an error in relation to this.*

*Looking at the communication notes on Santander's file, I can see there was a conversation between Mr B and Santander in October 2020 where his gambling issues were discussed. At that point, the advisor explained that Mr B was able to apply a gambling block to his account that would prevent him from being able to make payments related to gambling. They*

*also encouraged Mr B to discuss his issues with family and friends and to consider consulting his doctor. Mr B did not opt to apply the gambling block at that time.*

*Santander has accepted that they should reasonable have made Mr B aware of the gambling block in February 2020 when it became available, as they were aware of his issues around gambling. And I agree that this is what I would have expected them to do in the circumstances. However, I note that there were no gambling transactions on the account between February and October 2020, so I don't think Mr B has been disadvantaged as a result of this delay.*

*As there was no FDCP block on the account and Mr B had not applied a gambling block via the app prior to October 2021, I think it was reasonable that Santander did not stop the transactions to W between 19 and 23 October 2021. And I don't currently think it would therefore be reasonable to ask Santander to refund these.*

*I can see that following the transactions, Mr B telephoned Santander to query why the FDCP block was no longer on the account. During this conversation, he was reminded about the gambling block and I can see he applied the block to his account at that time. Unfortunately, as Mr B has pointed out, he was able to remove the block four days later and could begin making gambling transactions immediately. I note that Santander has now added a 48-hour cooling off period in which no gambling transactions can be made following the removal of the block. It is disappointing that this measure was not put in place when it was first introduced as it adds an important layer of friction for individuals with compulsive spending habits.*

*Mr B went on to make further gambling transactions and again, based on what I've seen, as there were no blocks on the account, I think it was reasonable that Santander allowed the payments to go through. And having looked at Mr B's general account activity at the time, I don't think the spending was so out of character that it should have flagged as suspicious to Santander. I can see that Mr B then re-applied the gambling block and also requested that FDCP blocks be added for certain merchants, to add additional barriers to his future ability to spend compulsively. Which Santander set up for him, as I would have expected them to.*

*I can see that after that point, Mr B had a conversation with Santander and explained that he felt they should be doing more to help him with his gambling addiction. He asked for his daily spending limit on his card to be reduced to £50. However, Santander explained this was not possible and took no further action. However, it was possible for Santander at that point to reduce Mr B's daily cash withdrawal limit to either £60 or £0.*

*Ultimately, I think that Mr B was looking for additional ways in which Santander could assist him when he felt the urge to gamble. I think that during that call, Santander treated his request narrowly and didn't effectively tailor support to him as I would have expected. They have since agreed to reduce his daily cash withdrawal limit to £0 and I think they could have reasonably done this at the end of November 2021 when he raised it initially. It is still unclear if the daily cash withdrawal limit has been reduced on all of his accounts.*

*I currently think that Santander should ensure this has been completed across all of Mr B's accounts, and that they should pay him £350 compensation for the distress and inconvenience caused when they delayed adding the cash withdrawal limit to his account and did not provide him with tailored support as I would have expected.*

*Santander responded to my provisional decision and agreed to increase the compensation award to £350.*

*Mr B responded and provided a large amount of comments and evidence for me to consider.*

In summary he felt that I had not taken his vulnerabilities into consideration and that Santander had a duty to treat him fairly because of his vulnerabilities. He also asked that I take the COVID-19 pandemic into consideration. He felt that the relevant blocks should have been applied around 27 October when he contacted Santander, and this would have prevented the transactions that went out to L and V.

### **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.

Firstly, I want to thank Mr B for taking the time to share his response to my provisional decision and for providing the additional evidence to me. I've carefully considered everything he has provided, though I may not comment on every point he has made. Instead, I will focus on the points I find to be material to the outcome of Mr B's complaint. This is not meant to be a discourtesy to him and instead is in keeping with our role as an informal dispute resolution service.

I've firstly considered Mr B's comments about the COVID-19 pandemic and how it impacted the banking industry, as well as him as an individual. On balance, I don't think COVID-19 and its effects changes my provisional findings as set out above in any way. I've seen nothing to suggest that it would have affected any of the blocks that were previously on Mr B's account and, as the transactions in question occurred at the end of 2021, I don't think it would have had an impact on the transactions themselves.

Mr B has queried the contact he had with Santander towards the end of October 2021, which was after the transactions that were made to W but before the ones to L and V. To clarify, Mr B contacted Santander on 24 October, after he had gambled with W, and he asked why the FDCP block was no longer on the account. It was at that time that he was reminded about the in-app block he could apply to gambling transactions which he then applied on 25 October. On balance, I consider that this was a reasonable suggestion that was made by the Santander call handler as it allowed Mr B to block gambling transactions, which he did.

The complaint on 27 October that was raised was specifically in relation to the fact Santander had not previously advised Mr B that the gambling block was an option for him. As a result of this complaint, Mr B was offered £100 compensation, which he says he did not accept. I understand that Mr B now has a letter from Santander in which they have said they could have escalated this complaint to the financial support team at the time.

However, the notes do not suggest that this was in relation to the FDCP block as Mr B has suggested. As explained above, I think the in-app gambling block that was suggested on 24 October was reasonable and I don't think Santander made an error or needed to do more at the time. Unfortunately, Mr B removed the block and was able to gamble straight away, which he did on 29 October 2021. But as explained in my provisional decision, as there were no blocks on the account, I think it was reasonable that Santander processed these transactions as requested.

I also want to clarify that it was after the transactions had been carried out that Mr B requested for his daily withdrawal limit to be reduced to £0. This was on 19 November and therefore after the payment to W, L and V so I don't think these transactions would have been stopped had Santander assisted him promptly at that time. Especially as they were card transactions which would not be affected by the withdrawal limit.

Mr B has said that Santander previously refunded gambling transactions in 2019 so should have processed the chargebacks as requested in 2021. As this complaint relates to the 2021 transactions, I haven't specifically investigated the 2019 ones. From what I have seen of the 2021 chargeback requests, I think it was reasonable that Santander declined to continue with them. I say this because the transactions did not meet the criteria for a chargeback, as they did not fit into one of the categories for a chargeback. So, I don't think Santander made an error when they did not continue with the claims. It should be noted that a chargeback is part of a voluntary scheme, with no guarantee of a refund.

Mr B has reiterated that he was not made aware when the FDCP blocks 'fell off' and that Santander should have re-applied the blocks or contacted him to let him know they were no longer on the account. I explained in my provisional decision that it was unclear why the blocks had been removed so I can't safely conclude that Santander should reasonably have made Mr B aware they were no longer on the account. As Santander explained, these blocks are primarily designed for recurring payments that aren't wanted, such as a subscription. With this in mind, I think it's reasonable that these would not remain on the account indefinitely and, on balance, I don't think Santander was required to keep Mr B updated about the blocks being on the account.

I've finally considered Mr B's vulnerabilities and I want to thank him for his openness in relation to this complaint point. I've considered this carefully in relation to the gambling transactions and whether Santander ought reasonably to have done more in the circumstances. I've considered whether, at each point of contact, more could reasonably have been done to assist Mr B with his vulnerabilities in mind.

As mentioned in my provisional decision, Mr B did have a conversation with Santander in October 2020 about his gambling issues and I've considered whether Mr B should have been treated different at that point due to his vulnerabilities. I can see the case handler advised him of the gambling block that could be applied to his account, and mentioned other ways he could get help including talking to friends, family or his local doctor about his issues. On balance, this is what I would have expected the call handler to have done in the circumstances so I don't reasonably think they should have done more at that time.

The next meaningful point of contact was on 24 October 2021 and I've already set out in more detail what occurred on that date. Mr B was again advised of the gambling block that could be applied to the account. While I do think a more detailed conversation could have happened, more like the conversation in October 2020, I still think the overall advice given was reasonable when keeping in mind Mr B's vulnerabilities. This gave him the tools to apply friction to his compulsive spending which is what I would have expected Santander to do. And as set out in my provisional decision, Mr B did take the advice on board and applied the gambling block at that time.

And as explained previously, the interaction on 27 October was in relation to Mr B not being made aware of the gambling block sooner, and him wanting to raise a complaint about this. As this was related to a specific complaint about a specific issue, I don't think Santander reasonably needed to do more when keeping in mind Mr B's vulnerabilities.

Having carefully considered all of the additional comments and evidence Mr B has provided, these have not changed my findings set out in my provisional decision. I do not recommend that Santander refund the transactions in question but it has agreed to increase the compensation award to £350 and I think is a fair resolution in the circumstances.

**My final decision**

I now direct Santander UK Plc to pay the increased compensation award of £350 to Mr B. I do not direct it to refund the disputed transactions..

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 September 2023.

Rebecca Norris  
**Ombudsman**