

## **Complaint**

Ms M is unhappy that Lloyds Bank PLC (“Lloyds”) didn’t do more to stop her from gambling when she had a problem between September 2016 and July 2017.

## **Background**

In January 2023, Ms M complained to Lloyds to say that it didn’t do enough to help during a difficult period and she asked Lloyds to refund her the gambling transactions she made from her account.

Lloyds didn’t uphold the complaint as far as it was concerned it didn’t do anything wrong and was carrying out payment instructions which Ms M authorised. As Ms M remained dissatisfied, Ms M referred the matter to our service.

One of our investigators looked into Ms M’s concerns. He didn’t think that Lloyds had done anything wrong or treated Ms M unfairly and so didn’t recommend the complaint be upheld. Ms M disagreed and so the complaint was passed to an ombudsman for a final decision.

## **My findings**

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

Having carefully considered everything, I don’t think that Lloyds acted unfairly towards Ms M and so I’m not upholding her complaint. I’ll explain why in a little more detail.

Before I get into the detail of Ms M’s complaint, I want to say that I’m sorry to learn of the real difficult time that she’s gone through. I do sympathise with her situation and I’m glad to hear that she’s receiving help with this. However, when determining her complaint I must consider whether Lloyds did anything wrong during the period referred to and having thought about everything I don’t think it is the case.

It’s clear that Lloyds didn’t know about Ms M’s difficulty gambling. That doesn’t appear to be in dispute, particularly as Ms M herself says that she didn’t realise that she had a problem at that stage. So there’s no suggestion that Lloyds failed in a duty to protect Ms M after she’d asked for help or used an application to block certain transactions.

Notwithstanding the fact that Lloyds wasn’t told about Ms M’s gambling, I’ve also considered whether it, in any event, ought to have known about this. Ms M says it is obvious from her statements what was going on. Having reviewed Ms M’s statements, I also think it’s fair to say that if these had been manually reviewed the amount of transactions might have led to someone picking up that there might have been an issue.

But there wasn’t an expectation or even an understanding that Ms M’s account would be reviewed this way. Such reviews are typically carried out before the provision of credit. And this is to ensure that a lender doesn’t lend to a prospective borrower that cannot afford

repay. In this case, Ms M had a basic account and this is important because it meant that Ms M wasn't able to have an overdraft or any other type of formal borrowing on her account.

If Ms M had an overdraft on her account she would have been using Lloyds' money to gamble. And Lloyds would have been required to review Ms M's account periodically in order with the rules, regulations and good industry practice in place at the time. If reviews of funds that Lloyds had been lending had taken place and Lloyds had seen that Ms M was using its money for unsustainable purposes, it is possible that it could have stopped lending to her.

For example an overdraft review might have led it to consider that the funds it was lending were being used unsustainably. That said, given Ms M's account was only open for nine months or so, it is, in any event, possible that it wouldn't have been open long enough for any overdraft review to have taken place.

However, in any event, in this instance, as I've explained Ms M didn't have an overdraft on her account. She was by the looks of it, at least, gambling her own funds. I appreciate that Ms M says that she was borrowing from elsewhere but as she was not borrowing from Lloyds, it wouldn't be expected to know that this was credit.

Furthermore, none of the transactions concerned were flagged up as being out of the norm either. As Ms M was gambling her own money and didn't have any restrictions on gambling transactions, I don't think that Lloyds could have unilaterally blocked the transactions in question. At best, even if it took action (and this was not guaranteed as there was no requirement to do so) all it could do was contact Ms M and check that she was making the transactions, which there is no doubt it was.

I do accept that if the transactions had been flagged up, Lloyds could also have possibly checked with Ms M that she did genuinely wish to make the transactions in question. But it seems to me that even then this is unlikely to have made a difference here. I say this because Ms M herself has said that she made the transactions at the time (so there's no dispute that she consented to them). I particularly say that this is the case as Ms M says that she didn't realise that she had a gambling problem at that stage.

So it is difficult for me to conclude that she would have told Lloyds she didn't want to make the transactions at the time they were authorised at least. And as I've explained, I don't think that Lloyds had the ability to unilaterally block Ms M from spending her own money in this way, without some kind of consent from her to do so.

To be clear this is a very unfortunate situation. And as I've said I am sympathetic to the position Ms M has found herself in. I've also not simply looked at Ms M's complaint from the point of view of whether she told Lloyds about her gambling problem. I've also thought about whether there was anything that Lloyds else ought to have done of its own volition in these circumstances. But having carefully thought about matters, I'm satisfied that Lloyds had to respect Ms M's instructions in this case.

Overall and having considered everything, I don't think that Lloyds has acted unfairly or unreasonably towards Ms M and I'm not upholding this complaint. I appreciate this will be very disappointing for Ms M. But I hope she'll understand the reasons for my decision and that she'll appreciate why Lloyds didn't act unfairly or unreasonably towards her.

## **My final decision**

For the reasons I've explained, I'm not upholding Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 8 January 2024.

Jeshen Narayanan  
**Ombudsman**