

The complaint

Mr L complains that Barclays Bank UK PLC ("Barclays") failed to pick up on unusual activity on his account and offer appropriate support for his spending on gambling which was due to a third party influencer/scammer. Mr L says this resulted in losses of approximately £50,000. Mr L also complains Barclays has discriminated against him by closing his account following him informing it of a mental health condition he suffers from.

What happened

Mr L opened an account with Barclays in April 2022 with an opening balance of around £6,000. On 24 June 2022 Mr L's account was credited with £22,500. On 30 June Mr L transferred £3,950 to another account of his held with a third party over 14 separate payments. This pattern of a high volume of repeated transactions continued through July, then slows down and then resumes in October and November along with payments to specific gambling merchants. By the end of November the funds are spent in their entirety.

Mr L complained to Barclays that the gambling transactions amounted to fraud and that he was scammed because he made the transactions after watching an influencer who told him how to constantly win gambling bets. Mr L says Barclays should've prevented these transactions as he suffers from a mental health condition which makes him vulnerable.

Barclays said as Mr L admitted to authorising these transactions they can't be classified as fraud or disputed transactions. Furthermore, it wasn't aware of Mr L's health condition prior to the disputed transactions and just because he suffered from this particular health condition doesn't mean it would block these transactions. Barclays said Mr L was able to utilise tools it had available to block these transactions if he had wanted to, so didn't uphold Mr L's complaint regarding these transactions. But Barclays agreed Mr L had received poor service and conflicting advice regarding his complaint and paid him £100 compensation for this.

Mr L was dis-satisfied with this and brought his complaint to this service. Since raising his initial complaint Mr L also has raised a further complaint point regarding Barclays closing his account which Barclays have responded to.

Our investigator looked at all of this and thought that the account showed obvious compulsive spending that was both unusual and irregular activity and that should've prompted Barclays to contact Mr L to see if he needed any support.

But they thought even if Barclays had stepped in and offered support - given Mr L's history - it was unlikely to have made a difference and Mr L would've gambled anyway. So they didn't think Barclays should reimburse the losses. But they thought Barclays should compensate Mr L a further £500 (on top of the £100 already paid) for not providing appropriate support and providing Mr L with options designed to help him given the activity on Mr L's account.

They didn't think Barclays had closed Mr L's account unfairly as this was a commercial decision Barclays was entitled to take and they didn't think the decision to close Mr L's account was based on Mr L informing Barclays of his medical condition.

Barclays have accepted this recommendation and agreed to compensate Mr L £500. Mr L is dissatisfied with this, he would like Barclays to compensate him the full amount of his losses and has asked for an ombudsman's 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.

I hope that Mr L won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr L's complaint is that Barclays failed to pick up on unusual activity on his account and provide appropriate support which has resulted in him losing a significant amount of money.

Mr L has complained that Barclays unfairly closed his account, following him informing it of a mental health condition he suffers from. Although this isn't Mr L's main complaint point - as per above - and was raised after Mr L brought his complaint to this service, Barclays have had a chance to respond, so I have considered this also. And after considering all the evidence and arguments I don't think Barclays have treated Mr L unfairly when it took the decision to close his account.

I say this because who Barclays decides to provide banking services to and what services it provides is a commercial decision that it is entitled to take. Furthermore, Barclays isn't obligated to provide a reason for the commercial decisions it makes – just as Mr L's is free to decide and for whatever reason, who he'd like to deposit his money with.

Though in saying that I don't think it would be fair for Barclays to withdraw banking facilities without reason. And I agree to close down an account due to a customer's medical condition would be unfair and discriminatory. And although I accept Mr L's account was closed following him informing Barclays of his medical condition, I don't agree that this was the reason his account was closed.

From the evidence I've seen, Barclays decision to close Mr L's account was for commercial reasons allowed within its terms and conditions and unrelated to his medical condition. Furthermore, Mr L wasn't left without banking facilities because of this, so I don't think Barclays treated Mr L unfairly here and don't uphold this part of his complaint.

I sympathise with Mr L, there is no doubt based on what I've seen he's been through a lot and continues to struggle – not just with his gambling and I do hope he manages to get the help and support he needs and his situation improves.

In regards to Mr L's main complaint point, I've thought very carefully about whether Mr L's account activity should've been enough to alert Barclays that something may have been wrong and that it needed to step in. And I'm in agreement with our investigator that bearing in mind the sheer number of transactions going in and out of Mr L's account following a significant amount being deposited, I think it could be reasonably concluded that this activity was both unusual and irregular and pointed to signs that Mr L might be having difficulties and spending in a way that was detrimental to him. And I think it became more obvious that Mr L had a problem with gambling from October when transactions to gambling merchants started appearing on his statements.

So I agree that Barclays should've stepped in and at the very least reached out and asked Mr L about these transactions and whether he needed any support.

But I'm also in agreement with our investigator here that from the information we have regarding Mr L's history that even if Barclays did reach out to Mr L and offer support that it was unlikely that this would've made a difference and that Mr L would still have continued to gamble – whether influenced by the third party or not - and the money still would've been lost.

I say this because there is medical evidence to show that Mr L was already in debt due to gambling. I appreciate Mr L has told us that this “gambling” debt was paid off and that the spending he is complaining about relates transactions he made following advice from a third party influencer and scammer.

I've considered this point carefully and I still think essentially the spending was gambling related and would've continued – regardless of whether Barclays had stepped in. Indeed, Mr L had a multiple number of accounts set up and that he was using to facilitate this. So even if he stopped using the Barclays account to transact on, he was still able to use his other accounts – accounts which were outside of Barclays control.

So because of this I don't think it can be said that if it wasn't for Barclays failure to reach out and offer appropriate support Mr L wouldn't have lost out. And so I don't think Barclays should return the funds Mr L spent.

But I do think Mr L should be compensated for Barclays' failure to offer any support at all despite what Mr L's account was showing and I think the further £500 compensation recommended by our investigator is fair and in-line with what we'd recommend in situations such as this.

So having considered everything, I don't think Barclays treated Mr L unfairly in closing his account and although I think Barclays failed to take appropriate action and offer Mr L support when I think there were patterns of spending which suggested he was vulnerable, I don't think Barclays should refund Mr L for this spending as I think it would have continued regardless. But I do think Mr L should be compensated for Barclays failings and I think an appropriate award here is £500.

My final decision

For the reasons I've explained I've decided to uphold Mr L's complaint and direct Barclays Bank UK PLC pay the fair compensation outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 December 2023.

Caroline Davies
Ombudsman