

## **The complaint**

Mr S complains that National Westminster Bank Plc didn't do enough to protect him from the financial harm caused by gambling.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In 2023, Mr S complained to NatWest about payments he made to various gambling sites, which he said amounted to £40,000. He told NatWest it had failed to properly deal with his previous scam claim, which led to his gambling habit. He said it should have flagged the payments because they were out of character and his outgoings were higher than his income.

NatWest refused to refund any of the money he'd lost. It accepted the scam had affected Mr S's mental health and that he'd been suffering with depression. But it said it wasn't responsible for the fact Mr S started gambling after the scam claim was declined.

It explained its security systems wouldn't have triggered as the spending was genuine and even if the payments had triggered an intervention, he would have confirmed the payments were genuine and they would have been approved. It accepted it could have potentially offered support and advice to Mr S about gambling, but it wasn't aware that there was a problem and it is unable to stop customers using their accounts for gambling unless they disclose that there is an issue.

Mr S wasn't satisfied and so he complained to this service. He said he started gambling after the scam as he felt it was the only way to recover the money he'd lost. He believes NatWest should have picked up on the fact he was using his account to make payments for gambling and raised questions about his spending. He said it should have questioned the payments because they were out of character and on one occasion, he sent over £3,500 in 24 hours with no intervention. He also took out a loan for £5,700.

Mr S has said that if NatWest had questioned his spending and provided advice on how to stop gambling, he would have stopped gambling straight away. He said it should have offered him support and guidance, which would have prevented it getting out of control. NatWest said there was no evidence that Mr S had notified it that he had a gambling issue. It also said that he had been maintaining a credit balance since 2021, and his account activity was in line with the T&Cs of the account.

Our investigator didn't think the complaint should be upheld. He said there wasn't any evidence that Mr S had told Halifax about his gambling problem, and he wasn't going to comment on why he started gambling.

He noted that Mr S's account balance was always above zero, and the gambling amounts had increased gradually over a period of several months, so he didn't think the change in account activity was significant enough for NatWest to have intervened. He explained that

gambling isn't unusual, and there was nothing to suggest the websites Mr S used weren't legitimate, so he don't think NatWest had any reason to think M S, or his account was at risk.

Ms S has asked for his complaint to be reviewed by an Ombudsman. He maintains he did tell NatWest about his gambling, and he said he was vulnerable and suffering with mental health problems caused by the scam when he complained about the scam.

He's also said the fact his account didn't go below zero was no reason not to question the extreme and out of character spending and NatWest should have done more to stop him from spending money on gambling.

### **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 reached the same conclusion as our investigator. And for largely the same reasons. I know Mr S feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr S 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, under the Regulations, and under the terms and conditions of his bank account, he is presumed liable for the loss in the first instance.

Mr S has said his gambling habit was caused by the scam he was victim to in 2021, and the way NatWest handled the subsequent scam claim. While I note the reasons why Mr S has said he started gambling, I don't intend to comment on that, or NatWest's handling of the scam claim, which had already been considered under a previous complaint.

Mr S says he called NatWest to tell it about his issues with gambling in May or June 2021, but there's no evidence to support this. He has also said NatWest would have known he was vulnerable from comments he made when he complained about the scam claim. But banks are expected to intervene if consumers make payments that are suspicious or unusual and we wouldn't expect it to stop payments simply because a consumer has said they are suffering from mental health issues.

I've thought about whether NatWest should have done anything to prevent Mr S from making the payments. Gambling is a legitimate activity so we wouldn't expect it to intervene just because he was making payments for gambling or because he took out a loan. I accept there were days when the cumulative spend to gambling sites in one day was significant, but all the payments were to legitimate companies, the amounts had increased gradually over a period of eight months, and the largest payment was only £222. So, I don't think there would have been any reason for NatWest to intervene when he made the payments.

Because of this, while I'm sorry to hear Mr S has lost money and the effect this has had on him, for the reasons I've explained, I don't think NatWest is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

### **My final decision**

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 January 2024.

Carolyn Bonnell  
**Ombudsman**