

The complaint

Ms M complains that Bank of Scotland plc trading as Halifax ("Halifax") gave her different information surrounding gambling blocks that were available to her and that she was able to easily remove blocks herself. Ms M feels the support given by Halifax isn't sufficient for anyone with a gambling condition and wants to be compensated for money lost due to this.

What happened

Ms M has a current account with Halifax. Ms M called Halifax and explained she was a compulsive gambler. Ms M informed the advisor to help her stop gambling among other things that she was registered with a third party that blocks her from gambling with certain merchants, has a gambling freeze on her account, had tried counselling and suspending online banking but nothing worked as she knows how to get around these things.

Ms M explained she has tried to have overseas transactions blocked with other banks, but no one seems to do this. The advisor suggests marking some of the transactions made as fraud. This would mean if Ms M tried to use her debit card to transact with these companies again, they would be blocked, which Ms M agreed to.

This triggered a high level fraud block which resulted in Ms M not being able to make any payments with her debit card online. Ms M called Halifax about this and the block was removed at her request because she needed to be able to use her debit card to purchase her shopping.

Ms M asked if Halifax could apply a block to her account that would prevent her from gambling with overseas merchants. After speaking with a number of advisors Ms M was transferred to someone at Halifax who advised her that there were a number of blocks that could be applied such as card freeze, foreign card freeze and gambling freeze, but they couldn't apply the blocks for her and that it could only be done online or in branch and explains how to do it through the app.

Ms M says she investigated these options but decided it wasn't what she wanted as it only blocks in-person payments and ATM withdrawals outside of the UK and that it can be turned on and off. Halifax's internal records also confirm this as following the call Ms M turned the foreign freeze on and then off and on again, the remote freeze on and then the following day the gambling freeze on.

Ms M said she then went on to gamble over a £1,000. Ms M complained to Halifax that she was given different information about what could be done to help her and passed around to different people and that she was given no support and was able to gamble as a result of the blocks being removed from her account.

Halifax says that it did all it could do to support Ms M with her gambling addiction when she contacted it to have the fraud block removed from her card and that it wasn't responsible for her being able to gamble after it removed the fraud block.

Ms M was unhappy with this and brought her complaint to this service.

Following this Halifax reviewed its decision and although it takes no responsibility over what transactions Ms M was able to make it thinks it could've provided better service and clearer information during its calls with her and offered Ms M £100 compensation.

Our investigator looked at all of this and thought that it wasn't possible for Halifax to apply the type of restriction Ms M wanted for overseas spends, so Halifax hadn't made an error here. But they thought Halifax's service could've been better – in particular they thought Halifax should've applied a gambling block during its conversation with Ms M. They thought the compensation of £100 Halifax offered for this was fair and didn't recommend any further compensation because they didn't think the loss that followed was from Halifax's failure in not applying the block, as even if the block had been applied, it wouldn't have stopped the spend that happened following this.

Ms M was dissatisfied with this, she says the information she was given about the application of gambling blocks by Halifax was inconsistent and is unhappy that she is able to block and unblock gambling transactions through its app whenever she wants. Ms M doesn't believe the compensation Halifax has offered is enough 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.

It might help if I explain my role is to look at problems that a consumer has experienced and see if the bank has done anything wrong or treated the consumer unfairly. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

Ms M is unhappy at the support that Halifax offered her when she made it aware of her compulsive gambling. She is particularly unhappy that it wasn't able to block overseas gambling transactions and that she was able to continue gambling.

I sympathise with Ms M and the gambling struggles that she has, and I applaud her for seeking help. In situations such as Ms M's although I wouldn't tell Halifax what tools it needs to have in place to support customers with a gambling addiction, I would expect it to utilize the tools it does have and make the customer aware of what it can do to assist and any limitations there might be.

Ms M wanted Halifax to block all gambling transactions including foreign gambling transactions online. Gambling blocks work by blocking transactions that match merchant codes recorded as gambling. Merchant codes are applied by the merchant and not the bank. This means that if a customer makes a transaction that doesn't have a merchant code linked to gambling, the bank wouldn't be able to block the transaction.

In Ms M's case Halifax has provided evidence to show the transactions Ms M made following her conversation with it weren't categorized as gambling by the merchant and so it wasn't possible to block them. So this being the case I can't say Halifax did anything wrong or made a mistake when Ms M was able to make these transactions following her calls with Halifax.

And I don't think Halifax should be penalised for the limitations in the tools it has for supporting customers with a gambling problem that are out of its control. Not being able to easily block all gambling transactions made online or otherwise because the merchant doesn't categorise them as gambling, isn't an error on Halifax's part – it simply isn't possible.

And although I accept Halifax was able to apply a fraud marker to block foreign transactions Ms M had previously made – this wasn't a permanent or practical solution to Ms M problem, as it had the effect of stopping her from making any debit card payments online resulting in Ms M asking the restriction to be lifted.

So I don't think Halifax treated Ms M unfairly when it failed to block online gambling transactions following its call with her as this was just something it wasn't able to do. But I agree that the information Halifax provided to Ms M about the blocks and freezes available to her could've been clearer. Having listened to the phone calls Ms M had with Halifax I think the information provided wasn't clear regarding what gambling transactions Halifax could block and what it couldn't.

But I note that when Halifax's advisors provided the various options available to her, Ms M made it very clear that she was well versed in the help and tools that were available to compulsive gamblers such as herself. She'd been in touch with third party gambling help organisations which had helped her put a stop to registering with UK based gambling merchants. She was also seeking assistance with her gambling through charities and other organisations and had a good understanding of what Halifax could do to help and was able to both apply and remove gambling freezes on her account.

So although I think Halifax could've been clearer regarding the freezes or blocks available, I'm satisfied that Ms M was already aware of this and the other support available to her.

But even if Halifax's information and advice had been clearer, I don't think it would've made a difference, as I think Ms M would've still made the gambling transactions in question – as she did just that despite knowing that applying the foreign freeze wouldn't block online transactions. And Ms M has admitted to this service that despite all the help out there for compulsive gambling, she knows how to get around the various systems and tools and uses that knowledge to do so.

Furthermore, I understand that Ms M is unhappy she is able switch on and off gambling blocks or freezes on her account whenever she wants to. But ultimately the gambling block isn't a cure, it is there to act as a deterrent and to assist Ms M in managing her money by adding an extra step when she wishes to gamble and forcing her to think about what she is doing when removing the block. I don't think it would be fair to expect Halifax to make those decisions for Ms M or deny her the ability to make that decision.

So having considered everything, although I think Halifax could've provided clearer information to Ms M about the limitations of its gambling block – it has offered Ms M £100 compensation for this failing which I think is fair, as I don't think this made a material difference to Ms M's circumstances and I don't think it would be fair to ask Halifax to refund Ms M the money she spent on gambling.

My final decision

For the reasons I've explained I've decided what Bank of Scotland plc has offered to settle Ms M's complaint is fair and I'm not going to ask it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 13 February 2024.

Caroline Davies

Ombudsman