

## **The complaint**

Mr A has complained Nationwide Building Society did little to help him when he asked them to apply a gambling block to his card in May 2023.

## **What happened**

Mr A called Nationwide in May 2023 to ask them to apply a gambling block to his transactions. Their systems were unable to apply a block at this time, so they explained their only option was to block his debit card entirely. He was unhappy with this option. He'd already tried to block transactions with gambling companies direct and this hadn't proved completely successful. Mr A's phone call ended before Nationwide was able to offer him further specialist support.

In October 2023 Mr A got Nationwide to apply a block on the Nationwide app as this capability now existed. He complained they'd not been able to do more back in May.

Nationwide didn't believe they'd done anything wrong but accepted their customer service wasn't ideal; as Mr A was forced to go through security more than once. They gave Mr A £25 as compensation.

Mr A brought his complaint to the ombudsman service. He was in real financial difficulties after spending a great deal of money on gambling websites.

Our investigator felt that Nationwide should have done more, in line with the requirements of the FCA advice on vulnerable customers. However, he also accepted that Mr A bore some responsibility and would have continued to attempt to gamble. He asked Nationwide to refund half of Mr A's gambling expenditure from 15 May to 2 October 2023, along with 8% simple interest.

Mr A accepted this outcome. Nationwide disagreed. They didn't believe there was anything more they could have done in May to stop Mr A taking the action he did to continue gambling. They also pointed out that Mr A's gambling expenditure during this period was £4,247. At the same time Mr A received money from gambling companies which amounted to £3,926.40. Therefore the real loss was only £320.60.

Mr A's complaint has been referred to an ombudsman for decision.

I completed a provisional decision on 11 January 2024. I believed our investigator's rationale remained appropriate and felt it was fair that Nationwide reimburse half of Mr A's losses. I also didn't agree that their customer service was suitable and asked them to pay Mr A £250 for the trouble caused.

Mr A accepted this outcome although pointed out he'd lost considerably more funds as he'd used cash withdrawals to also gamble.

Nationwide didn't believe the redress was appropriate and asked the ombudsman to review the amount offered. They also pointed out that there was no obligation on financial

institutions to proactively monitor gambling transactions.

I now have all I need to complete my final 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.

Having done so, I'm reaching the same outcome as I did in my provisional decision. I've considered the detailed response Nationwide submitted and have altered some wording on what follows accordingly.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

There's no dispute that Mr A authorised these transactions. It's therefore generally accepted that Nationwide has an obligation to follow Mr A's instructions. So in the first instance Mr A is presumed liable for his loss. But that's not the end of the story.

Nationwide is subject to a range of rules and regulations as a building society. Specifically they have a duty to protect its customers against the risk of fraud and scams so far as reasonably possible. In addition they are required to follow FCA guidelines about vulnerable customers.

I'm satisfied that Mr A falls under this heading. I say this because a glance at his Nationwide statements since 2021 shows regular gambling (for considerable financial amounts) taking place online. Customers who gamble and find it difficult to stop are classified as vulnerable customers. Even if Nationwide hadn't picked up what was happening by considering his payment behaviour, it's clear he called them on 15 May to block his gambling transactions. This should have acted as an alert to Nationwide that more should be done.

Whilst I accept that Nationwide may not have had the functionality to block gambling transactions alone, I don't believe that absolves them from responsibility after being alerted to the issues Mr A was having. They have told us Mr A most likely ended the phone conversations. I can't be sure whether that is what happened but in any case, Nationwide – once aware of the concerns Mr A had – should have been proactive in getting specialist support to Mr A. This didn't happen.

If these transactions had been unauthorised, we'd have expected Nationwide to identify and take action so I see no reason why Nationwide shouldn't be expected to have taken further action to assist Mr A and make attempts to stop him gambling despite these being authorised transactions. I accept that Mr A may not have wanted his debit card to be blocked in full but I'd like to have seen Nationwide explore other avenues, which includes being proactive in trying to get support to Mr A.

At no stage have I suggested that Nationwide need to proactively identify gambling transactions, despite their concern that I may have done so.

I don't know whether further specialist support would have made the difference but clearly

Mr A was aware of his problems and was doing what he could to stop so it is feasible that Nationwide's intervention could have made a difference.

Therefore I believe it's fair and reasonable that Nationwide refund gambling transactions, as if these didn't take place and the block was applied on 15 May as requested.

However I accept that Mr A must bear some responsibility here too. That's why I agree that any refunds provided should only be half of the amount. I note, as Nationwide has stated, Mr A did continue to gamble and he's told us has used cash from his cash machine withdrawals to gamble as well. I wouldn't have expected Nationwide to be aware, far less identify those transactions.

### **Putting things right**

Nationwide has confirmed the amounts that Mr A spent during the period in question: 15 May to 2 October 2023. He spent £4,247. Mr A's statements show that he also received refunds, or possibly winnings, direct from one of the gambling companies involved. These amount to £3,926.40. This means the amount to be refunded is half of Mr A's remaining loss which works out at £160.30.

I agree it's fair that Nationwide refund this amount, along with 8% simple interest.

I reviewed what happened when Mr A called Nationwide in May 2023. I'm aware Nationwide has given Mr A £25 in compensation, but I believe this is inadequate for the impact their lack of action had on him. So I'll also be asking them to pay Mr A an additional £250 for the trouble caused. I disagree with their view this is excessive and believe this is in line with what we'd ask in occasions when their customer service has had such an impact.

### **My final decision**

For the reasons given, my final decision is to instruct Nationwide Building Society to:

- Refund £160.30 to Mr A;
- Add 8% simple interest to that amount from 15 May 2023 to the date of settlement; and
- Pay Mr A £250 for the trouble caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 March 2024.

Sandra Quinn  
**Ombudsman**