

## **The complaint**

Mr O has complained that Barclays Bank UK PLC failed to protect him when he was experiencing poor mental health and gambled £70,000 over a two-month period.

## **Background**

Mr O suffers from serious mental health issues. In September 2018 he sold a property and deposited £100,000 from the proceeds into his bank accounts. In October 2018 he had transferred £90,000 into his Barclays accounts. Between October and December that year Mr O gambled and lost £70,000. His mental health deteriorated to a point where he ended up homeless and had to move into emergency accommodation. He believes that Barclays should have noticed the high volume of gambling activity on his accounts and contacted him to check whether or not he was okay or needed help.

Barclays has said that prior to Mr O contacting it in April 2023 to lodge his complaint it was unaware of his mental health conditions or that he was vulnerable. It has said that gambling is a legal activity and that it would be wrong for the bank to 'discriminate or judge' consumers for gambling. It didn't think it had failed in its obligations to Mr O as it said all of the transactions were approved by him and there was no evidence of any fraud on the account. So it didn't uphold his complaint.

Unhappy with Barclays response Mr O brought his complaint to our service. One of our investigators looked into it already. She found that while Mr O did complete all the gambling transactions himself, in some days he was losing thousands of pounds in quick succession. So she felt that it was clear that Mr O was spending in a potentially harmful way. While she couldn't be sure what difference contact from Barclays might have made, she did think the bank had failed to offer support to someone who was showing clear signs of vulnerability. She also felt that when Mr O contacted the bank in April 2023 and did disclose his health issues and previous gambling problems Barclays still didn't offer him any help or explain what it might be able to do to support him. So, she said the bank should pay Mr O £750 compensation in recognition of its failure to support a clearly vulnerable consumer.

Initially Barclays didn't accept the investigator's findings and instead offered to pay Mr O the lower amount of £300. However, it then confirmed it would pay the recommended £750.

However, Mr O didn't accept the recommendations of the investigator. He felt that if Barclays had contacted him in 2018 it could have prevented him from losing his entire life's savings. So he didn't think £750 was sufficient and asked for an ombudsman to review his complaint afresh.

## **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 done so I agree with the findings reached by our investigator and won't be asking Barclays to repay the £70,000 Mr O lost. I know this will be extremely upsetting for Mr O so

I've set out my reasoning below.

At the time Mr O sold his property in 2018 there was no explicit guidance from the regulator, setting out what businesses should do to identify and support vulnerable consumers. This has since changed and there is a much higher level of protection in place now but unfortunately that can't be applied retrospectively and so I can only consider Mr O's complaint in line with the obligations in place in 2018.

It is unfortunate that Barclays didn't query such a highly unusual and large deposit into Mr O's account in 2018. While I understand that it was unaware of his health concerns it would be standard practice for businesses to ensure that deposits of £100,000 were verified as coming from legitimate sources, particularly when consumers start to transfer funds back and forth between accounts as Mr O did. But there's nothing to suggest Barclays queried any of this at the time. If it had it may have realised that Mr O was in a vulnerable position and may have been able to give him advice and guidance on how best to manage his money and thus prevent him from losing everything.

Barclays has said that it can't 'discriminate against or judge' a person when there is evidence of gambling on their accounts as gambling is a legal activity in the UK. While I agree it wouldn't be appropriate to judge a consumer, I find it extremely worrying that Barclays thinks it would be inappropriate for it to check whether or not a consumer was in a potentially harmful situation when they gamble and lose up to £7,000 in a single day over multiple transactions as happened on Mr O's account in early October 2018. Given the gambling commission has indicated spending anything over £100 in a single month on gambling may be indicative of someone spending beyond their means, it's very concerning to think that Barclays views any attempt at safeguarding a consumer, when this level of gambling appears on their account, as judgemental.

Looking at Mr O's account with Barclays prior to the deposit in September 2018, it doesn't appear that there was a huge amount of transactional activity on it. So, I do think that such a large deposit and subsequent high volume of spending on the account should have flagged some sort of checks with the bank. Even if those checks weren't initially for vulnerability. And once the account had been checked for any reason I think it would have become apparent that Mr O was spending in a compulsive manner. I don't agree that reaching this conclusion equates to discrimination, but I do accept that Barclays wouldn't have been able to do anything to stop Mr O from spending money in this way without speaking to him first. And I can't be sure what the end result of any conversation with Mr O in October 2018 would have been. So, I can't safely conclude that Barclays could have prevented him from losing all his money. But I do think it was failing on the part of Barclays that no contact was made at all.

I also agree that when Mr O contacted the bank in April 2023 it should have done more to offer support to him then. Mr O explained he was homeless and had lost all his savings through gambling. But the representative didn't offer any support to him or explain that the bank offered gambling blocks that could have been added to his account.

By April 2023 the Financial Conduct Authority (FCA) had issued its guidance on supporting vulnerable consumers and Barclays was aware it was obliged to at least offer support to Mr O as he was clearly extremely vulnerable. So, I agree with our investigator that Barclays should pay Mr O compensation for its failure to act on the information Mr O had explicitly given it.

Barclays has pointed out that the balance on Mr O's account is now effectively zero. Mr O has explained this is because he now has an account elsewhere with a different bank that has provided him with tailored and effective support. I'm glad to hear that Mr O is getting the help he needs to manage his finances going forward.

As I'm unable to make the finding that contact from Barclays in 2018 would have prevented Mr O from losing his money I can't ask the bank to refund the £70,000 to him. But I do agree that it should pay him compensation and I think the £750 proposed by our investigator is reasonable.

### **Putting things right**

Barclays Bank UK PLC should pay Mr O £750 compensation in recognition of its failures to offer him help or support as a vulnerable consumer. It should make this payment into Mr O's preferred account, which may not be the one he holds with Barclays.

### **My final decision**

For the reasons set out above I uphold Mr O's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 February 2024.

Karen Hanlon  
**Ombudsman**