

The complaint

Mr W complains that TSB Bank plc failed to notice that he was spending large sums on gambling and failed to offer him support or advice.

What happened

Mr W has had an account with TSB since 2017. In July 2023 he complained to TSB that, as a recovering gambling addict, it had allowed him to spend thousands of pounds on gambling sites over six years without any of the payments being picked up by TSB. He felt that TSB should have picked up those payments and offered him support or advice. Instead he says it fed his addiction and put a great strain on his mental health and his relationship.

TSB explained that its fraud systems are designed to detect unusual activity on a customer's account and flag payments which seem out of character. The use of gambling sites is not seen as unusual unless it was made aware that Mr W's debit card had been compromised in any way and then it would have contacted him. It asked that Mr W get in contact with it if he needed support.

On referral to the Financial Ombudsman Service, Mr W explained further that he made repeated use of payday loans to fund his gambling, which again he believes TSB should have noticed.

TSB said that although Mr W had used payday loans, for the most part his account remained in credit. There were a few returned payments over the years but this wasn't seen as an indication of financial difficulty. When a payment was returned it would send out a letter of notification with advice about managing money.

Our Investigator reviewed the complaint. He didn't think that TSB had been unfair or unreasonable.

Mr W disagreed, pointing out that he spent large sums of up to £900 per day which TSB should have noticed.

The matter has been referred to me for an Ombudsman's consideration..

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 should advise that TSB, in common with most major banks will not manually review customers' accounts. It relies on an automated system which will flag up unusual activity, though gambling isn't shown as unusual. So, TSB would only have been alerted if there had been such activity or if the pattern of spending meant that Mr W was going increasingly overdrawn each month. Apart from Mr W telling TSB of his problems himself, the only other way that TSB might be alerted to any financial difficulty would be if Mr W had applied for a loan or credit with TSB. But he didn't do so.

I have reviewed Mr W's bank statements, which go back to when he first opened the account in 2017. On the face of them, the statements do not show that he was spending large sums of money on gambling. Though I would add here that Mr W did use an online payment service or payment service provider (PSP) quite a lot. The system relies on merchant codes to flag unusual patterns of payment but it's likely that if Mr W made payments through the PSP, they would not be recognised as gambling.

Further, there were long periods when the statements do not show any obvious gambling transactions. As far as I can see Mr W has not used this account for gambling since April 2022.

Equally I note that Mr W did use payday or short term loans quite a lot. But throughout the period of his account he only occasionally went into overdraft usually by only a small amount and the overdraft went back into credit quite quickly. Nevertheless I can see that he did have some returned payments and a few unarranged overdraft fees, but he was advised about those by letter. As the letters did offer advice about managing money, I think TSB acted reasonably in that respect. And, as Mr W did generally bring the account back into credit quickly, I can't say that his use of payday or short term loans should have flagged a pattern of unusual spending which might have alerted TSB to review his account.

Mr W has pointed out that he used payday loans for gambling, transferring the money out of his account as soon as it was just received to carry out gambling transactions. Although I can see from the account that Mr W made lots of transfers to another account, I can't say that these would have been recognised as gambling even if TSB had reviewed his statements.

So overall I can't say that TSB could have been expected to recognise that Mr W was having problems with gambling and I think it dealt with his complaint fairly. It has advised him of its support service and in particular I note that customers can put a block on their card to prevent it being used for gambling. If Mr W is minded to use that, I would urge him to get in touch with TSB so that it can explain exactly how the block would work.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 February 2024.

Ray Lawley
Ombudsman