

The complaint

Mr E is complaining that Barclays Bank UK PLC allowed gambling transactions on his account while he had a gambling block in place.

What happened

In July 2023 Mr E made payments totalling £135 to an online gambling website.

The following day, Mr E contacted Barclays about the payments. He said he didn't know how he could have made the payments because he had a gambling block in place on his account and he'd now spent all his money.

The adviser explained that the gambling block will block debit card payments to certain merchants identified as related to gambling. But Mr E's recent payments had been carried out through open banking to make online payments through his banking app, rather than his debit card. So, the gambling block didn't stop the payments from going through. Barclays did pay Mr E £50 as a gesture of goodwill, to allow him to buy some essentials.

Mr E complained to Barclays about what had happened. Barclays replied to say they didn't think they'd made any errors.

Mr E referred his complaint to our service. He said, in summary, that he felt Barclays should do more to prevent these types of transactions and they shouldn't offer a gambling block function if it still allowed gambling to take place through the app.

Our investigator didn't uphold Mr E's complaint, but as Mr E disagreed it's now been passed to me for review and a 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.

Although I'm sorry to disappoint Mr E, I'm not upholding his complaint. I'll explain why.

Barclays operate a gambling block which their customer can choose to apply to their account. I've looked at the information Barclays provide about the function of the gambling block on their website. It explains that a customer can use this feature to block debit card payments to gambling retailers, websites and phonelines.

The gambling block works by preventing card transactions from merchants that carry a merchant category code which corresponds to gambling. But the gambling transactions Mr E carried out were through open banking, rather than using his debit card. And the algorithms that are designed to stop gambling transactions on debit cards don't work the same way for open banking. So, these transactions weren't prevented by the gambling block function Mr E had activated on his account. I can't see that Barclays gave Mr E any incorrect information or mis-led him about how the block functioned.

I've also not seen anything to make me think Barclays had been made aware of a gambling problem before Mr E contacted them about these payments (and it looks like he's since declined Barclays' offer to add indicators of this to his account.) And I don't think there was anything to indicate the payments were concerning or unusual, such that Barclays should have stepped in to take action such as blocking the payments.

I can understand why Mr E feels this is a loophole in the system – and I believe that some businesses are looking at ways they can extend their gambling block function to also prevent some gambling transactions made through open banking. But this wasn't a feature that Barclays offered at the time Mr E made the transactions. Whilst I appreciate that Mr E feels Barclays could have done more to prevent the transactions being processed, Barclays do also need to balance any intervention with allowing the day to day running of the account. It wouldn't be reasonable to expect them monitor every transaction Mr E made, even if he had made them aware of a problem.

So, although I sympathise with Mr E, I don't think it would be fair to ask Barclays to refund the payments he made. They've paid Mr E £50 as a gesture of goodwill, and I don't think they need to do anything else here.

When he brought his complaint to us, Mr E also mentioned an issue he had in November 2023 with the app allowing gambling transactions when it was under maintenance. I can see he spoke to Barclays about this at the time, but it's not clear if a formal complaint was raised with or investigated by Barclays. Because this was raised after Barclays issued their final response to this complaint, we've not considered this point as part of this complaint in our view or in this decision – but if Mr E would like us to look into this, he should let the investigator know so we can set up a separate complaint record.

My final decision

My final decision is that I'm not upholding Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 1 June 2024.

Helen Sutcliffe
Ombudsman