

The complaint

Mr H complains that Barclays Bank UK Plc failed to block his transactions to a crypto currency firm that he was using to gamble, despite telling Barclays he had a gambling addiction.

What happened

I sent the parties a provisional decision in March 2024, in which I set out the following background information to the complaint and my provisional findings, as follows:

'In February 2022 Mr H called Barclays about issues he was experiencing with gambling via crypto currency and asked them to help him stop this spending. Mr H said he had many calls with Barclays asking for help and was told that he could no longer deposit on an exchange as it was blocked. Mr H said Barclays also told him they would put a marker on his account and when he called they would ask if he wanted to spend this money as he was in a specific 'at risk' category. He said he asked Barclays to do this as he knew he wouldn't call out of a feeling of humiliation at someone asking if he wanted to make such a payment.

Mr H said he was having to call up every time as the bank weren't verifying the transaction. After the call, he said the block didn't happen and he now didn't need to call up to verify the transactions. He said since then no one has asked him about this on any call, he's only been asked if the transaction is legitimate. Mr H complained to Barclays and asked for help as he was feeling suicidal. He said he got no help and Barclays said it couldn't do anything and the service failed and gave him £100 compensation. Mr H said that since then it's got a lot worse and he reached out to Barclays again and was told 'tough', it couldn't help.

In its initial response in April 2022 Barclays said it recorded Mr H's personal circumstances on its system and involved its Specialist Relationship Support team. Barclays urged Mr H to seek expert help, providing contact details for relevant organisations.

Barclays apologised to Mr H for misinformation about stopping payments to crypto currency firms. Barclays said it can't cancel Continuous Authority Payments, only dispute payments if a customer believes they're fraudulent. It said while its Merchant Control feature is there to support customers, the customer is still fully in control of their account, and it isn't allowed to restrict a customer's access. Barclays said Mr H could delete the app and manage his account online, over the phone or in branch. It said switching off 'Gambling' will not block payments to crypto currency firms, as such spending is considered to be an investment.

Barclays said its system recognises spending patterns and where a transaction isn't out of character, it won't make further checks. Based on Mr H's spending, Barclays didn't think the transactions should've been identified by its fraud team, but it paid him £100 for the incorrect information it provided. In its second response to the complaint in September 2022, Barclays referred Mr H to an organisation that helps people with gambling addictions. It said no new information had been provided for a further investigation, and its initial response is its final response to the complaint. Mr H was dissatisfied and referred his complaint to our service.

Our investigator recommended the complaint be upheld. He said Barclays correctly stated it couldn't completely block transactions set up as a Continuing Payment Authority (CPA) as Mr H's were to the crypto currency firm, as the firm holds the mandate, not Barclays. But he said Barclays are still required to cancel CPAs under the Payment Services Regulations.

The investigator said Mr H was in a vulnerable position and tried to get help from Barclays, but he wasn't supported as promised. He thought Mr H would have moved to another card provider had he known Barclays couldn't guarantee the transactions would be blocked.

The investigator said it is our approach for CPAs to be refunded if they continue to debit a customer's account post cancellation. He recommended Barclays refund three transactions to the crypto currency firm in March 2022, totaling £1,339.31, to put Mr H back in the position he would have been in had Barclays done what they said they would. And he recommended Barclays pay Mr H further compensation of £100 for its poor service.

Barclays said it needed to consider what happened to the funds after they went into Mr H's crypto currency wallet as it wouldn't be fair to make the refund if the funds were still there. The investigator said the transactions happened a great deal of time ago and he didn't feel it necessary to ask Mr H to provide proof that he most likely doesn't have. He thought that Mr H wouldn't have had cause to complain if he still had access to the currency in his account.

Barclays disagreed and requested an ombudsman review the complaint. It said without evidence that Mr H had lost this money a refund would be unfair. Barclays said the crypto currency firm Mr H transacted with charge fees for debit card payments and bank transfers, and withdrawal fees so and it may be expected to pay these fees for Mr H but the funds may still be there. Barclays didn't think transactions from less than two years before would be archived. Barclays said it was happy to pay the further compensation of £100.

The investigator requested Mr H provide the crypto currency wallet information, but there was no response.

What I've provisionally decided – and why

Mr H said he contacted Barclays to block transactions to a crypto currency firm that he used for gambling as he was having trouble stopping himself from making the transactions. Mr H said after his request he found the transactions easier to make, not harder. Mr H wants the money he lost through gambling returned to him due to Barclays' errors and Barclays not helping him when they said they would.

When Mr H called Barclays for help blocking transactions to crypto currency for gambling Barclays said it could help. But Mr H gambled in this way on three days the following month, without having to verify the transactions to Barclays as he had previously.

We don't expect banks to be liable for a customer's spending decisions and Barclays is required to process authorised debit card transactions without let or hindrance, so long as it doesn't suspect fraud. The Financial Conduct Authority requires regulated businesses to exercise reasonable skill and care, and pay regard to the interest of customers. Mr H's interests, as told to Barclays in February 2022 were to block transactions related to gambling.

I've looked at how Barclays policy operates concerning CPAs. This indicates that the CPA in place in favour of the crypto currency firm on Mr H's account should have been cancelled by Barclays following Mr H's call in February 2022. We treat payments made by a bank after cancellation of a CPA to be unauthorised by the customer and so I consider Mr H's crypto currency payments in March 2022 not to have been authorized by him.

Barclays has mentioned there are other ways for customers to control spending using their app. This includes putting limits on spending and blocking certain types of spending. I'm not sure these would have worked for the crypto currency transactions that took place here and, in any event, Mr H made a direct request to Barclays for help.

Barclays didn't provide the assistance it said it would to Mr H, and I agree with the investigator that in principle Barclays should refund the three transactions Mr H made following his cancellation request, in March 2022. However, I think it is reasonable for

Barclays to require some evidence that the funds Mr H sent to the crypto currency wallet have all been used, and were spent on gambling.

And so, in order to demonstrate impartiality, I would like to see evidence of the loss to gambling via the crypto currency firm that Mr H has described. Although the transactions took place two years ago, I think it should be possible for Mr H to obtain account records from the crypto currency firm that demonstrate the transfer and use of the money in question.

As an impartial body we have to be equally fair to both sides of a dispute and in this case Barclays is entitled to see some evidence of the losses Mr H is claiming before making a refund. I'm pleased Barclays has agreed to pay Mr H further compensation of £100 for the misinformation it provided, and I think this is fair in the circumstances.'

My provisional decision and the parties' responses

I provisionally decided that the complaint should be partially upheld. I intended to require Barclays to pay Mr H further compensation of £100 for the distress and inconvenience its misleading information caused him.

I said I intended to give further consideration to Mr H's stated losses of £1,339.31 in the light of any evidence he could provide about the use of these funds. However, as it stood, I said that I didn't have evidence on which to make this award to him.

Barclays responded to the provisional decision to say that it agreed with the proposed resolution to the complaint. Mr H did not respond.

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.

In its response to my provisional decision Barclays agreed with the outcome.

Mr H hasn't responded, but I have looked again at the circumstances of his complaint. Following Mr H's cancellation request in March 2022 in respect of the CPA I think Barclays could have done more to assist him, as it said it would. However, I remain of the view that it is reasonable for Barclays to see some evidence that the funds Mr H sent to the crypto currency wallet have all been used, and were spent on gambling.

I requested evidence of the use of the crypto currency transactions from Mr H, but haven't received anything. And so, I haven't seen any reason to change my view that there is no fair basis on which I could require Barclays to refund the transactions Mr H made to the crypto currency firm after he requested Barclays intervention.

I remain of the view that Barclays should pay Mr H further compensation for the impact of the misleading information it provided him regarding what it could do to assist him with stopping his payments.

My final decision

For the reasons I have given here and in my provisional decision, this complaint is upheld in part. I require Barclays Bank UK Plc to pay Mr H further compensation of £100 for the distress and inconvenience its misleading information caused him. I do not require Barclays to take any further action in respect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 May 2024.

Andrew Fraser
Ombudsman