

The complaint

X complains that HSBC UK Bank Plc ("HSBC") failed to take reasonable measures to protect him from the vulnerabilities associated with gambling which resulted in significant financial and emotional distress.

What happened

X opened a basic bank account online with HSBC on 31 January 2024. The statements show spending was mainly on leisure activities and that there was no credit attached to or paid from the account, or essential bills being serviced from the account and that it had an average balance of around £1,500.

The first gambling transactions occurred on one day in April where X's bank statements show money being deposited and gambling transactions to the value of around £2,000 leaving him with a credit balance of £395.

No further gambling transactions were seen again until 20 May where statements show after a number of large deposits into the account X had a credit balance of over £15,000 at which point there are further gambling transactions in quick succession depleting the balance down to around £4,000.

On the same day X contacted HSBC and alerted it to his gambling issues confirming it had only become an issue recently. HSBC's agent advised him of who could support him both internally and externally with this, as well as the ability to apply a gambling block on his account using its mobile app which X said he was now aware of but hadn't been advised of this previously.

HSBC's agent asked if he wished to speak to its gambling team so they could assist, but as X had work he wasn't able to. HSBC applied a care need marker against X's profile. X had a further call with HSBC's agent and it was re-iterated what it could do to help now it was aware of his gambling problem.

X complained that HSBC failed to show him a valid duty of care and offered no support despite the gambling activity on his account.

HSBC didn't uphold his complaint as no bank error had been detected. HSBC advised that to stop any transactions for gambling X could add restrictions onto his account from its mobile app but that if this is not in place it will not be able to stop or decline any transactions made to gambling companies.

It says although gambling spend was seen, X's account was maintained with no issues and that X is free to spend his money as he pleases without interference from it unless there is illegal or suspicious activity and that X never made it aware he had a gambling problem beforehand.

X was dis-satisfied with this. He says he feels neglected by a lack of personal intervention that has left him with debts of over £9,000. X says this has affected his mental health and he

wants a refund of £18,050, compensation and for HSBC to pay for therapy sessions. And so X brought his complaint to this service.

Our investigator looked at all of this and thought that overall X's bank statements showed that his account has maintained a credit position and was well managed and although there was gambling activity in April and May, this wasn't enough to highlight to HSBC there was a problem. Furthermore, once HSBC was alerted to the fact X had a gambling problem it acted within a day of this offering the type of support we'd expect which they thought was reasonable.

X disagreed, he believes HSBC should've been more proactive when his statements showed a sudden surge in gambling related transactions and the help HSBC did offer was too little too late and asked for an ombudsman's 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.

My role is to look at problems that a consumer has experienced and see if the business has done anything wrong or treated them unfairly. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

X's complains that HSBC failed to pick up on the gambling activity on his account and provide appropriate support which has resulted in him losing a significant amount of money.

I sympathise with X and the gambling struggles that he has and I hope he is now in a position where he is getting the right help and support for this. X has mentioned that other banks have different tools to help with those with a gambling problem. It might be helpful for me to say here that, as we are not the regulator, I cannot make a business change its systems or processes – such as what it must have in place to assist customers with their spending or what accounts should be monitored for. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

So in situations such as X's while I wouldn't tell HSBC what tools it needs to have in place to support a customer with a gambling addiction and nor would I expect it to monitor an account for gambling transactions - indeed, gambling isn't illegal and a customer should be free to spend their money as they please. But I would expect a business to step in and offer appropriate support where I consider it should've reasonably become aware there might be a problem or that a customer is spending in a way that could be detrimental to them.

I've thought very carefully about whether X's account activity should've been enough to alert HSBC that something may have been wrong and that it needed to step in. And although the statements do show a day in April where a large amount was spent on gambling transactions depleting the balance of X's account, I don't think this on its own is enough to suggest there is a problem and that HSBC should've stepped in and offered support.

The statements show that X's account doesn't have any lending attached to it such as an overdraft and that it doesn't appear to be his main account where his essential bills are paid from - but rather an account used for leisure activities. The account had regular credits in and maintained a healthy balance.

And when X had his main and second bout of gambling activity on 20 May, he alerted HSBC of this on the same day at which point HSBC provided him with what I think is appropriate

support and in-line with what we'd recommend. It signposted him to external agencies that could help and made him aware of the tools it had available to help deter him from gambling - such as applying a gambling block through its mobile app.

So although the statements show gambling activity on the account on one day in April, I don't think it could be reasonably concluded that this on its own pointed to signs that X might be having difficulties and spending in a way that was detrimental to him and that HSBC should've stepped in.

I appreciate that the main gambling spend was on 20 May, but as HSBC was notified of the issue on the same day I can't say that it wouldn't have stepped in had X not alerted it to his gambling problem on the same day. And so I can't say HSBC did anything wrong or treated X unfairly in the support it did offer him here.

X says he contacted HSBC on 17 May when he was at a casino to discuss an urgent withdrawal of cash. HSBC says all calls are documented and that it has no record of this call. And his statements don't show any large cash withdrawals on this day either. So again, I can't say that HSBC should've been aware X had a gambling problem before it did.

So having considered everything I don't think on the information HSBC had it should've reasonably been aware that X might have a problem and offered more support or treated X unfairly and it follows that I don't uphold this complaint.

My final decision

For the reasons I've explained I've decided not to uphold X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 22 October 2024.

Caroline Davies
Ombudsman