

The complaint

Mr B has complained that Barclays Bank UK PLC failed to safeguard him when he started to gamble compulsively during March 2020.

Background

Mr B is a vulnerable consumer and has a number of mental health issues, including a diagnosis of Bi-Polar. In March 2020, at the start of the first Covid lockdown, Mr B won a substantial amount of money gambling. Unfortunately, he also experienced a manic episode during this time that resulted in him continuing to gamble and losing all the money he had won. He says he had informed Barclays of his mental health challenges long before lockdown happened, and it should have been aware that he was likely to spend compulsively as a result of his illness. He thinks the bank should have intervened when he started gambling tens of thousands of pounds a day and prevented him from losing all of his money. He's asked that the bank refund his losses to him in full.

Barclays has said that although Mr B did make it aware of his diagnosis before 2020 he never explicitly asked for support around gambling or gave any indication that he had a compulsive spending problem. It says all the transactions that happened between March 2020 and May 2020, were fully authorised and to merchants Mr B had used previously. So, it didn't think there were any indicators that it needed to question the transactions with Mr B and didn't think it had made an error by not contacting him, despite the change of behaviour on the account.

Unhappy with Barclays' response Mr B brought his complaint to our service. One of our investigators looked into it already. She found that although Mr B had disclosed his vulnerability in 2019, and Barclays had added an 'extra care' marker to his account, the bank had failed to question how Mr B's illness might impact him. She thought that if the bank had asked more open questions to fully understand what Mr B's diagnosis meant in regard to his finances it might have been able to offer him tailored and genuine support. While she didn't think she could hold Barclays responsible for Mr B's losses she did think that the failure to properly support a known vulnerable consumer had had an enormous impact on Mr B and she asked Barclays to pay him £1,000 compensation in recognition of those failures.

Barclays accepted the investigators findings, but Mr B didn't as he thought the amount of compensation suggested by the investigator was too low and felt the bank should refund the entire amount he lost.

In his response Mr B repeated that Barclays was aware he lives with Bi-Polar, and one of the common harms that can happen to people who experience manic episodes is overspending. He said he had lost a life changing amount of money and felt Barclays should have intervened when he started gambling tens of thousands of pounds on a daily basis. As a result of losing the money he has suffered extreme ill health, both physical and mental, and has become suicidal. He also believes the bank is lying about the conversations he had with it and that it knew how unwell he was and what was happening.

As Mr B didn't agree with the investigator's proposed redress he asked for an ombudsman to

review his complaint again and so it's been passed to me for consideration.

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 amount of compensation suggested by our investigator, and I don't think the bank is liable to refund all of the money Mr B lost. I know this will be extremely distressing for Mr B so I want to explain why I've reached the outcome I have.

As part of my investigation into Mr B's complaint I've reviewed all of his bank statements between 2017 and 2021 when the account was eventually closed. Between 2017 and March 2020 Mr B's account balance was consistently in credit with an average maximum monthly balance of about £500 or less. Mr B's main credits to the account came from benefit payments as well as small credits from gambling wins or payments from known third party accounts.

Throughout that time Mr B was gambling regularly and his average individual gambling transaction was approximately £10. Mr B would gamble multiple times each week, and sometimes multiple times in a single day.

In November 2019, following some concerns around potential scam activity on his account, Mr B spoke to a bank representative on the phone and disclosed his Bi-Polar diagnosis. The person Mr B spoke to asked him if he needed additional support on his account and Mr B said he didn't. A marker was added to it indicating Mr B was vulnerable, a note added explaining he has Bi-Polar, but no specific support was offered, and the representative didn't discuss Mr B's needs or question what sort of support might be useful given his diagnosis.

In March 2020, a few days after the first national lockdown began, Mr B received a credit of nearly £200,000 into his account. He has explained this was winnings from a gambling website. The funds were sent to Mr B's account in multiple transfers of approximately £20,000 each.

Once this money was received Mr B's gambling behaviour changed in both frequency and value immediately. Within days of receiving his winnings Mr B was placing bets of thousands of pounds. Two days after receiving the funds he gambled nearly £13,500 in a single day. The following day he gambled over £8,500. The day after that over £21,000 and the day after that Mr B gambled nearly £60,000 in a single day.

During this time Barclays placed Mr B's account on hold as it had concerns about some of the transactions and whether or not he had genuinely authorised them. Mr B was required to contact the bank to verify the transactions as authorised. He did this and the block was removed. At no point during the conversation did the person Mr B speak to mention the extreme change of activity on the account, the enormous deposit that had been received a few days earlier, or the fact that Mr B's gambling spend had increased from small £10 bets to individual bets of thousands of pounds. This was despite the fact that the marker for vulnerability and note of Mr B's specific diagnosis having been added only a few months earlier.

In her view our investigator found that there was a real and genuine opportunity for Barclays to offer Mr B assistance during this call and it completely failed to do so. I agree with her entirely on this point. It is beyond comprehension how a business, that was already on notice that their customer had severe mental health challenges, and that those challenges were linked to an illness that routinely involves compulsive manic behaviour, such as

overspending, wouldn't use the information already available to it to offer useful or genuine support. Instead, it seems it merely completed a basic check without any thought or consideration for the individual involved or the flags it had added to Mr B's account previously.

Mr B has explained that he was already experiencing a manic episode when he spoke to Barclays at this time, and I think the behaviour on the account gave clear indications he was at serious risk of extreme financial harm. It is therefore enormously troubling that no additional questions were asked around Mr B's welfare, why he was spending the volume of money he was and whether he was in need of any additional support. Especially given this all took place within the first two weeks of the first Covid lockdown, when there was a heightened awareness for vulnerable consumers and the impact that situation was likely to have on some of them.

So, I agree with our investigator that Barclays failed to offer any form of meaningful support during this call despite having the ability to do so, as well as the knowledge of why it was needed. And because Mr B was as vulnerable as he was I agree with the investigator's recommendation that Barclays should pay him £1,000 in compensation.

In his response to our investigator's findings Mr B has repeated the devastating impact losing this life changing amount of money has had on him. I can only imagine how distressing this time has been and I don't doubt anything Mr B has told us about how seriously this has impacted his health, physically and mentally.

However, in order for me to say Barclays should refund the money he lost I would need to be certain that any contact it might have made with him at this time would have stopped him from gambling. Mr B has told us himself that because he was in the middle of a manic episode at the time he was already extremely unwell. And therefore, it's unclear to me whether he would have agreed to stop gambling. I know he thinks Barclays should have frozen his account and stopped him from accessing his funds entirely, but there are limited scenarios in which a bank can do that. Ultimately, consumers are entitled to spend their money as they want.

I know this will upset Mr B enormously, but I have to consider what Barclays could and couldn't do under the various regulations and rules that apply to banks. And I don't think it could refuse him access to the funds in his account without his consent or a proper understanding of when it might be appropriate to do so.

I do think that if Barclays had taken the time in November 2019 to discuss Mr B's health concerns with him in more depth, it may have devised mechanisms and methods of minimising harm during periods of extreme ill health such as the one he experienced in March 2020. Which is why I think the bank should pay him some compensation. But I'm unable to find the bank liable for Mr B's losses and so I can't ask it to refund those to him.

Putting things right

Barclays Bank UK PLC should pay Mr B £1,000 compensation in recognition of its failure to offer adequate support when he notified it of his vulnerabilities.

My final decision

For the reasons set out above I am upholding Mr B's complaint against Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 29 October 2024.

Karen Hanlon
Ombudsman