

## **The complaint**

Mr F complains that National Westminster Bank Plc failed to identify that he had a problem with gambling and that it failed to offer him adequate support.

## **What happened**

Mr F advises that he suffers with mental health problems which have over the years caused him to be reckless with his spending, and that he had a gambling addiction. He estimates that he has over the years lost around £180,000 through gambling. He says that around seven years ago he was contacted by NatWest because he had problems with money management and it downgraded his account from a select account to a foundation account. He also says that NatWest increased his daily cash withdrawal limit to £1,500.

Mr F has explained that a lot of his gambling was done by cash or through an online payments company. He also made numerous transfers to his wife's account and gambled using that account. He believes that NatWest should have identified his unusual spending and that there were clear patterns of him using the money for gambling transactions.

Mr F went into a local branch of NatWest in May 2024 to explain these difficulties and that he needed help. He alleges that the member of staff laughed at him and said it was above their pay grade. They left him alone and came back to say that he would be getting a call from a withheld number. Because of his mental health problem he didn't recognise that the adviser had finished dealing with him and this left him embarrassed and upset.

NatWest advised that Mr F downgraded the account himself, it's not something it would do. This was done because in 2016 Mr F had complained that he had been mis-sold the select account. It didn't uphold that complaint, and didn't record him as being vulnerable at the time. So it could only recognise his vulnerability from May 2024 and noted this on its records. Therefore, there would have been nothing unusual that would have flagged up or suggested that a review of Mr F's account management was needed. And that payments to gambling websites would not necessarily flag up as suspicious as it would consider these a lifestyle choice made by the customer.

On referral to the Financial Ombudsman Service, our Investigator said they couldn't see that NatWest ought to have realised that Mr F had a gambling addiction and needed support to limit his gambling activity. They hadn't seen enough information to show that NatWest had treated Mr F unfairly or had done something wrong.

Mr F's representative argued that he clearly remembered NatWest contacting him and as a result of his financial problems, downgraded his account. They argued that NatWest should have noted his vulnerability at the time and subjected his account to a greater level of scrutiny. And that we should reconsider the position of whether his account activity was such that NatWest should have taken action to prevent him from spending money. They have also explained Mr F's current financial position which is that he remains in a significant amount of debt which he acquired to fund his gambling. His indebtedness includes high-interest payday loan companies. He also borrowed large amounts of money from friends and family, some of whom do not know that he used such borrowing to gamble.

The matter has been passed 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.

Where the evidence is incomplete or contradictory, as some of it is here, I have to make my decision based on what I think is most likely to have happened. But it may be that I can't make a finding and if this is the case I shall say so. I have a duty to be impartial so I have to assess both parties' evidence fairly.

#### *interaction with Mr F in 2016-17*

Mr F has a recollection of a conversation he had with NatWest in 2017. He says he clearly recalls NatWest contacting him because of his financial difficulties and as a result it downgraded his account. Unfortunately due to the passage of time that telephone conversation is not available, Neither are any contact notes.

NatWest has shown us a final response letter it wrote to Mr F in 2016. It explained that his complaint was that he opened the select account for the mobile phone Insurance but didn't feel that he had had real value for money as he hadn't used all the benefits. It didn't uphold his complaint but noted that "*you have now changed the account to a fee free Foundation Account.*"

So I think it's likely that Mr F himself changed the account because he didn't feel he was getting benefits from the select account which will charge a monthly fee. I can't see any evidence from this that this was done by NatWest due to Mr F's financial circumstances or that he advised NatWest of the same.

So I don't think that it would be reasonable to say that NatWest should have recorded Mr F as being vulnerable at the time.

#### *possible unusual spending patterns*

Mr F's representative argues that NatWest failed to properly identify unusual and irregular spending activity on his account, or even if it did, failed to interact with him to carry out any basic check to establish that such activity was either legitimate or that he was comfortable with the payments. They went on to identify 2 periods of excessive gambling by Mr F, in May 2020 and in March 2021.

NatWest, in common with other banks would not be expected to carry out a manual review of every customer's account. There are however certain points at which we might expect a manual review to be triggered:

- The customer's account is consistently overdrawn, in excess of any limit.
- If there is evidence of financial difficulty, such as persistent returns of direct debits or other payments.
- A loan or an increase in an overdraft limit has been applied for, which has triggered a manual review of the bank statements.
- There is evidence of unusual spending activity.

Mr F has advised that his gambling activity first became a problem in early 2020, so I've considered the bank statements going back that far. Firstly I should note that the account has not for that entire period been overdrawn. On a few occasions Mr F received a text warning that he might be going overdrawn, but on each such occasion he paid in sufficient funds and the account is not recorded as going into debit at any stage. I understand that the foundation account doesn't offer an overdraft facility.

Mr F has a number of direct debits going out of his account, but I can't see that at any stage any were returned unpaid. No other payments were returned unpaid either.

Mr F did apply for a loan in May 2021. I understand this was declined because of his credit rating, so the application didn't get as far as checking the bank account. On other occasions Mr F reapplied for a select account but again this was declined. I understand that this was an automatic process so again wouldn't lead to the bank statements being reviewed.

Mr F's online gambling activity was, as I've said, carried out through an online payment company. No payments were made direct to gambling sites. On occasions Mr F received texts, asking him to confirm that certain payments were genuine. He says he never spoke to NatWest about these payments but always responded to texts confirming that they were genuine. Again this was an automatic process.

As regards Mr F's cash withdrawal limit, I understand that this was set in 2014. It hasn't changed since then. So any increase in the limit isn't linked to his gambling activity.

So this leaves the question as to whether NatWest should have noted unusual spending activity. First of all I've noted Mr F says that he consistently transferred money to his wife so that he could gamble through her account. I don't think any of those sorts of payments would be treated as being unusual. Mr F also, throughout this time received large credits into his account, these were paid out and not obviously used for gambling. His representative refers to two periods of unusual spending activity when they say Mr F spent unusually large amounts on gambling.

In April and May 2020 Mr F received large sums of money into his account, much more than in the previous two or three months. I can see that he made a number of payments which, if the statement was looked at, would be identified as gambling, being payments on the statements as going to an online casino. I can't see that any other payments could be readily identified as gambling. For May 2020 around £25,000 went through the account. And while this is a lot of spending this could easily be for genuine activity, for example £5,600 was spent at a car dealer, presumably for a car. And Mr F transferred substantial sums to his wife's account.

If we were to highlight a pattern of spending it would need to be high value over a long period of time. It would also need to be quite unusual for us to say NatWest should have taken a further look at the account. On the face of it Mr F was managing the account and keeping it in credit and it would have required NatWest to review the statements manually to discover some gambling. Even then – I could only identify as gambling around £5,500 out of around £25,000 spent, which in my view wouldn't be enough to trigger any manual review.

I've noted also that when Mr F came into the bank to make withdrawals of cash, he says that he would invent reasons why he wanted the cash. This is save for one occasion when he requested the cash to buy a car, which his representative tells us was genuine.

Banks are limited as to what they can do if they identify gambling. It is a legal activity and all they can do is offer support such as referring the customers to organisations that can help,

and advising them of the use of gambling blocks. If a customer is determined to gamble and to disguise that gambling activity, there is not much a bank can do to prevent that.

Mr F's representative has also said that there was unusual activity on Mr F's account in March 2021 where he spent a large amount on gambling. But, unlike in 2020 I can't see that any transactions on the account at that stage would have readily been identified as gambling.

Having also looked at the statements up until Mr F made his complaint in May 2024, I can't see that there was anything to trigger any further review of Mr F's statements.

As regards the interaction Mr F had in branch in 2024, I do bear in mind that he hadn't up until that stage notified NatWest of his mental health problems. I've seen a statement from the adviser in question who says they neither laughed at him nor made the comment that it was above their pay grade. I accept however that the circumstances were awkward for him. I empathise with him that he must have found it difficult to admit he had a problem. However I think that NatWest has sufficiently responded to him since then.

Lastly I am sorry that Mr F is in financial difficulties. I must emphasise however that any such difficulties are not evident on the bank statements. Some names of short term loan companies do appear, but there's no evidence of any failure or difficulties in keeping up repayments.

So overall I do empathise with Mr F and the difficulties he has been caused. But I don't think that NatWest would have been alerted to his gambling problems until he complained to it in May 2024. So I don't propose to require it to take any further action.

### **My final decision**

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 24 February 2025.

Ray Lawley  
**Ombudsman**