

The complaint

Mr W is unhappy that HSBC UK Bank Plc allowed him to spend a large sum of money in a short space of time on gambling websites.

What happened

In September 2024, Mr W received a large sum of money into his HSBC bank account. Shortly afterwards, Mr W made a large number of transfers from his HSBC account to gambling websites, whereupon he proceeded to lose most of the large sum that he'd recently received. Mr W wasn't happy about this, and he felt that HSBC should have had processes in place to prevent him from making so many gambling transactions in such a short space of time. So, he raised a complaint.

HSBC responded to Mr W and said they did have a gambling block that could be applied to an account which wouldn't allow transactions to gambling companies to take place, but that the block was voluntary, and Mr W had never requested it or applied it to his account.

HSBC also noted that they had tried to speak with Mr W previously about the number of gambling transactions on his account, but that Mr W hadn't engaged with them. As such, HSBC didn't feel that they should be held accountable or responsible for Mr W not having their gambling block on his account, and they didn't uphold his complaint. Mr W wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt HSBC's response to Mr W's complaint was reasonable and already represented a fair resolution to what had happened. Mr W didn't agree, so the matter was escalated to an ombudsman for a final 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.

Banks such as HSBC are expected to monitor accounts for signs of potential vulnerability and to have tools and processes in place to help account holders who might be addicted to gambling.

HSBC offer a gambling block, which prevents transfers to gambling companies from taking place. However, because bank account holders have the right to gamble with their money if they want to, this tool can only be applied to an account holder at the request of, and with the consent of, the account holder.

HSBC's gambling block can be applied to an account either by the account holder themselves via HSBC's online banking platform or by the account holder contacting HSBC and asking them to apply it for them. But in this instance, HSBC have no record of Mr W either applying the gambling block to his account or asking HSBC to apply it for him – until after all the transfers to gambling companies about which Mr W is unhappy here had already taken place.

Mr W has said that he feels HSBC should have been monitoring his account and that the large number of transfers to gambling companies that he made should have been recognised by HSBC as concerning and that HSBC should have intervened in some way.

I'm in agreement with Mr W on this point. This is because, as explained above, banks do have an obligation and a duty to consumers to monitor accounts for signs of potential vulnerability. And I feel that the exponential increase in Mr W's spending to gambling companies following his receipt of a large sum of money should have been flagged by HSBC's account monitoring processes and that HSBC should have reached out to Mr W at that time.

However, had HSBC recognised the unusual activity on Mr W's account and tried to contact him, I'm not convinced that the outcome would be any different here.

The reason I say this is because HSBC have explained that a review of Mr W's account back in 2022 noted a large amount of gambling activity at that time which resulted in them reaching out to Mr W by both telephone and letter to try to discuss the matter with him. But HSBC have demonstrated to my satisfaction that Mr W didn't engage with them in any meaningful way in response to their contact attempts at that time or anytime afterwards.

Mr W disputes this, and states that he did have a conversation with HSBC in 2022 when it was agreed that a gambling block would be applied to his account. But while HSBC have record of several online chats being started by Mr W around that time, they note that none of those chats moved forward and that no discussion with Mr W about the gambling block they could apply to his account took place.

On balance, I find HSBC's position to be the more persuasive here. This is not only because of the contact records that HSBC maintain, but also because Mr W has continued to make payments to gambling companies from 2022 onwards. And I feel that if Mr W had requested a gambling block be placed on his account in 2022, then he should reasonably have realised when he continued to be able to make gambling transactions that the block hadn't been applied and that Mr W should reasonably have contacted HSBC about the matter.

As such, I feel that if HSBC had noticed the gambling transactions on Mr W's account before Mr W contacted them himself, that there's no guarantee that Mr W would have responded to any contact attempts that HSBC might have made, given that Mr W didn't respond to earlier attempts made by HSBC in 2022.

I also note that Mr W has explained to this service that he has mental health issues. HSBC have previously been apprised of this by Mr W and have record of it on his customer profile. However, it doesn't necessarily follow that an account holder with mental health issues will have a gambling addiction. Although, as explained, I feel that HSBC should have been monitoring Mr W's account for signs of potential vulnerability regardless of any information about Mr W's mental health issues they may or may not hold.

All of which isn't to say that Mr W hasn't been negatively impacted by making the large number of transfers to gambling companies that he did. But it is to say that I don't feel that HSBC should fairly or reasonably be considered responsible or accountable for the fact that Mr W made those transfers.

This is because, as explained, HSBC have tools that might have been helpful for Mr W, but Mr W didn't act to use those tools or engage with HSBC about his gambling and ask HSBC for their help. And while I do feel that there was a failure on the part of HSBC to have recognised that Mr W's account activity might indicate a vulnerability, I'm not persuaded that Mr W would have meaningfully engaged with HSBC had they reached out to him.

I realise this won't be the outcome Mr W was wanting, but it follows from what I've discussed here that I won't be upholding this complaint or instructing HSBC to take any further or alternative action. I hope that Mr W will understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 February 2025.

Paul Cooper
Ombudsman